



# NATION'S BUSINESS

**MAY • 1934**

**A Farmer Pleads  
for Freedom**



**Inflation and  
Your Business**



**The Little Fellow  
and the NRA**



**Published by the  
United States Chamber  
of Commerce**

# flexible



Bell System Teletypewriter Service is being profitably used by subscribers in countless ways. For example, the Pittsburgh Plate Glass Company gets utmost speed and accuracy in the transmission of orders and shipping advices between Sales Office and General Headquarters. Teletypewriters enable the Chemical Division of the Company, Columbia Alkali Corporation, to speed orders and inquiries. In addition, Columbia's President, Hugh A. Galt, from his Barberton, Ohio, office is directing the construction of a huge new Southern Alkali Corporation plant at Corpus Christi, Texas—1292 miles away.

"INASMUCH as I can 'talk in writing' with our construction engineers, keeping in close touch with every important detail, it is almost like being on the ground in person," says Mr. Galt. Executives of Columbia at the New York Sales Office say that Teletypewriter Service permits an average saving of two days' time on shipments made from the Barberton Plant. Moreover, the *exchange* feature of the service permits quick communication with the parent organization and with customers. The Pittsburgh Plate

Glass Company outlined the following advantages of Teletypewriter Service: accuracy in the transmission of large blocks of figures; inquiry and reply on the same connection; a permanent record of every transaction at each office; a considerable saving in communication expense.

Your local Bell Telephone office will gladly give you full information about Teletypewriter Service. It will pay you to learn the definite advantages it may hold for *your* company.





# "NO VIBRATION *Please—* I HAVE TO LIVE IN MY CAR"

A TRAVELING SALESMAN'S STORY WITH A MORAL FOR EXECUTIVES



HENRY BROWN, traveling salesman, covers North and South Carolina. He says, "I've tried 'All Three' low-priced cars but I'm glad I picked Plymouth."

*When Salesmen buy their Own Cars... Why do they pick Plymouth?*

YOUR SALESMEN may not have to be demon drivers like Henry Brown. His is an extreme case. But, when it comes to *comfort* and *safety*, Plymouth does go to extremes.

That's why salesmen pick it, when they buy their own cars... why we suggest you consider it first in the purchase of your company-owned fleet.

Specifically, it's the only low-priced car that has *all four* of the features essential to safety and comfort: Hydraulic Brakes; Safety-Steel Bodies; Floating Power engine mountings; Individual Wheel Springing.

WE BELIEVE THAT, when you "Look at 'All Three,'" Plymouth's *plus* value will make it your obvious choice.

Any Dodge, De Soto or Chrysler dealer will give you all the facts.



"EVEN MAPS don't help me much to dodge some of the rutty, back-country roads I travel. I have to depend on those Individual Wheel Springs to smooth out the bumps."



"IN MY PREVIOUS Plymouth, I made New York from Charleston in less than 23 hours, over a terrible mountain road part of the way. Yet I felt great when I arrived."



MR. BROWN'S New De Luxe Plymouth Sedan. Plymouth prices begin at \$530 f.o.b. factory, Detroit, subject to change without notice. Duplate Safety Plate Glass throughout optional at low extra cost.

## PLYMOUTH \$530

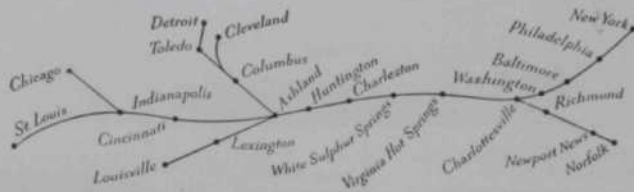
AND UP  
F.O.B. FACTORY  
DETROIT

IT'S THE  
BEST ENGINEERED  
LOW-PRICED CAR



"Porter!!..."

*Travel C and O and Sleep Like a Kitten*



**THE GEORGE WASHINGTON · THE SPORTSMAN · THE F. F.V.**

*The Finest Fleet of Air-Conditioned Trains in the World*

**CHESAPEAKE and OHIO**

*When making reservations on the C & O please mention Nation's Business*





# How a man of 40 can retire 15 years from today

**I**T makes no difference if your carefully laid plans for saving have been upset by the depression. It makes no difference if you are worth half as much today as you were in 1929.

Now, by following a simple, definite Retirement Income Plan, you can arrange to quit work forever fifteen years

from today with a monthly income guaranteed to you for life.

Not only that, but if you should die before that time, we would pay your wife a monthly income as long as she lives. Or if you should be totally disabled for six months or more, we would take care of your premiums for you and pay you a disability income besides!

## \$250 a Month beginning at age 55

Suppose you decide that you want to be able to retire on \$250 a month beginning at age 55. Here is what you can get:

**1** A check for \$250 when you reach 55 and a check for \$250 every month thereafter as long as you live.

This important benefit is available alone; but if you are insurable, your Plan can also include:

**2** A life income for your wife if you die before retirement age.

**3** A monthly disability income for yourself if, before age 55, total disability stops your earning power for 6 months or more.

It sounds too good to be true. But it isn't. There are no "catches" in it, for the Plan is guaranteed by an 83-year-old company with over half a billion dollars of insurance in force. If you want to retire some day, and are willing to lay aside a portion of your income every month, you can have freedom from money worries. You can have all the joys of recreation or travel when the time comes at which every man wants them most.

The Plan is not limited to men of 40. You may be older or younger. The income is not limited to \$250 a month. It can be more or less. And you can retire at any of

the following ages: 55, 60, 65, or 70.

How much does it cost? When we know your exact age, we shall be glad to tell you. In the long run, the Plan will probably cost nothing, because, in most cases, every cent and more comes back to you at retirement age.

Write your date of birth in the coupon below and mail it today. You will receive, without cost or obligation, a copy of the interesting illustrated booklet shown at the left. It tells all about the new Phoenix Mutual Retirement Income Plan. Send for your copy of the booklet now. The coupon is for your convenience.



PHOENIX MUTUAL LIFE INSURANCE CO.  
866 Elm St., Hartford, Conn.

Send me by mail, without obligation,  
your new book describing THE PHOENIX  
MUTUAL RETIREMENT INCOME PLAN.

Name \_\_\_\_\_

Date of Birth \_\_\_\_\_

Business  
Address \_\_\_\_\_

Home  
Address \_\_\_\_\_

© 1934, P.M.L.I. Co.

When writing to PHOENIX MUTUAL LIFE INSURANCE CO. please mention Nation's Business

# BUILDERS OF FORTUNES ..... *for Others*

UNHERALDED and unsung, thousands of purposeful men in America, day after day, are helping to build fortunes for others.

Many of them in a lifetime of labor will assist in the creation of groups of estates aggregating several millions of dollars.

Instead of providing only for their own families, many of these men have been the means of furnishing a safe, secure income for hundreds, and sometimes even thousands, of other families.

Widows have been made free of financial worries.

Fatherless children have been assured the care and education so essential for a fair chance in life's battle.

Men and women have provided safely for independence in their old age. Fathers sleep well, because they have made worry-proof provision for their families in case of the breadwinner's untimely death.

The shadows of mortgages have been lifted from tens of thousands of homes and farms by these men who help build fortunes for others.

You must know at least one such man.

You may never have thought that he dealt in huge sums. His home is modest. His income is moderate. But everywhere throughout the land, he works to build

fortunes for others—for people like yourself.

He is the Life Insurance Agent.

Few people today have the opportunity of creating an adequate estate from savings alone, or to lay aside a safe sum for their own old age. But through the medium of life insurance, they are able to obtain such security against the future.

Turn then to the highly trained agent of The Northwestern Mutual Life Insurance Company—a man schooled to render individual service—and backed by

## *a billion dollar estate*

More than half a million Americans have banded together in the Northwestern Mutual for the financial security of themselves and their families. Its assets, as reported to state insurance departments, now total a billion dollars—a great estate administered for mutual welfare and protection.

Representing it, there are now over 6,000 Northwestern Mutual agents. One of them is near you.

*Has your door been open to him?*

Only a Northwestern Mutual man can give you Northwestern Mutual service. Let him help you—as he has helped so many others.



*The* NORTHWESTERN MUTUAL LIFE INSURANCE *Company*

MILWAUKEE, WISCONSIN

©1934, TNMLICo.

NB-3-34

*When writing to THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY please mention Nation's Business*





## Through the EDITOR'S SPECS

### How to be popular

A SUBSCRIBER in Milwaukee writes to the effect that he has read NATION'S BUSINESS for many years and has noted on the part of the editor a skepticism as to the efficacy of most government measures for relief in the economic field. He fears that this is an unpopular doctrine and, in a friendly way, urges the editor to avoid courting such unpopularity.

No one likes to be unpopular. It is easy to be popular in discussing national questions by suggesting solutions "easy to take." Here is a popular prescription: Guarantee a world without risks, without illness, without death or taxes, a world in which every day would be Christmas and Santa Claus would remember all of us, not according to our deserts, but according to our wishes.

I could advocate a program as popular as any. I could urge *desire* rather than *merit* should rule the size of our incomes; that loss and failure be stricken from our business language and that profits and dividends be the sole text of commercial reports, with everyone on a job to his liking. I could demand that we all remain forever young, that old age be abolished, that debts be outlawed, that pensions should sustain us without occasion for toil or trial of mind and spirit.

It would be popular to denounce fire, flood and hurricane, drought and disease, and all the other misfortunes that make life the interesting speculation that it is. I could say, let us have no more ambition, for that means competition; let us not try our wings in the world for fear of a fall.

I could plead the desirability of eating our cake and having it, too. And it would be popular to propose a law which would regulate the weather, keep the rain and the sunshine in proper proportion, and make every crop a bumper yield, with no hazard of failure and no surpluses.

But it is never the realist who gets the

# NATION'S BUSINESS

VOLUME 22



NUMBER 5

★ ★ ★ ★ for May • 1934 ★ ★ ★ ★

	PAGE
Speculating Upon Speculation <i>Merle Thorpe</i> .....	11
Inflation and Your Business <i>W. S. Landis</i> .....	13
A Farmer Pleads for Freedom <i>Dan D. Casement</i> .....	16
What's Ahead in Washington <i>W. M. Kiplinger</i> .....	19
Our Permanent Home Bank System <i>John H. Fahey</i> .....	22
The Railroads Hold the Pace.....	23
Charting the Course of Business.....	27
The Map of the Nation's Business <i>Frank Greene</i> .....	30
Small Business and the NRA <i>Raymond Willoughby</i> .....	31
Business Moves to Washington.....	33
No Business Can Escape Change.....	38
Our Itinerant Reporter Heard— <i>Whiting Williams</i> .....	40
The A. F. of L. and the NRA <i>Phelps Adams</i> .....	44
New Ideas in Selling.....	48
Business' Views on Tariffs.....	50
A Big Job Ahead <i>Henry I. Harriman</i> .....	52
What the AAA Is Doing <i>Delos L. James</i> .....	69
Aerate the Business Before It Dies <i>F. Johnson</i> .....	71
How One Company Chose a Home.....	78
The Attack on Appliance Costs <i>Paul H. Hayward</i> .....	90
Accounting May Mean Tax Relief <i>A. B. Gunnarson</i> .....	95
What Bankers and Investors Discuss.....	97
Flashes.....	100

## CHAMBER OF COMMERCE OF THE UNITED STATES MERLE THORPE, Editor and Publisher

Managing Editor, WARREN BISHOP  
Associate Editor, RAYMOND C. WILLOUGHBY



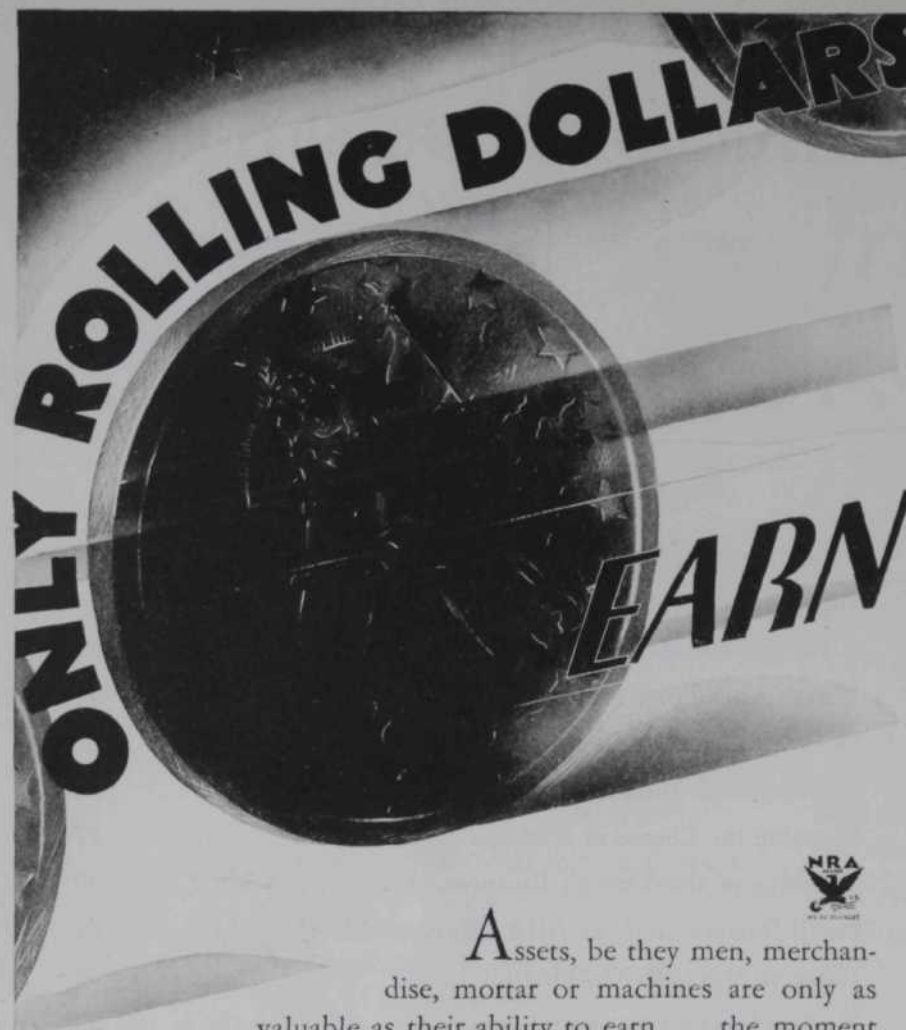
Business Manager, J. B. WYCKOFF  
Director of Advertising, E. V. THOMPSON  
Circulation Manager, LAWRENCE F. HURLEY

GENERAL OFFICE—Washington, United States Chamber of Commerce Building.  
BRANCH OFFICES—New York, Graybar Bldg. San Francisco, Merchants Exchange Building. Dallas, 1101 Commerce St. Chicago, First National Bank Building. Atlanta, Chamber of Commerce Building. Minneapolis, Foshay Tower Building.

As the official magazine of the Chamber of Commerce of the United States

this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers. SUBSCRIPTION RATES: Three years, \$7.50; one year, \$3.00. Canada: Three years, \$9.00; one year, \$3.50. Please notify us promptly of change of address.—Nation's Business, Washington, D. C.





**A**ssets, be they men, merchandise, mortar or machines are only as valuable as their ability to earn . . . the moment they stop moving, they become liabilities.

Modern management keeps its dollars rolling through the intelligent use of figures . . . figures arranged into reports that picture current activity of each and every asset and inactivity of liabilities . . . each compared and analyzed in relation to every other. It's done with Powers Punched Card Accounting. Maybe you have some liabilities that you would like to start a-rolling.

#### "MANAGEMENT REPORTS . . . in the MODERN MANNER"

tells how to do it...without making one cent of capital investment. We will gladly send a complimentary copy to any major or departmental executive who writes and requests it. Write for your copy today.

Federal, State and Municipal Governments, Banks, Chain Stores, Public Utilities, Railroads and Insurance Companies, Industrial and Commercial Enterprises use Powers Methods.

**POWERS**  
(PUNCHED CARD)  
**ACCOUNTING MACHINES**  
BUFFALO, NEW YORK



ANOTHER PRODUCT OF REMINGTON RAND



acclaim of the populace. As a practical economist who has had to meet pay rolls the greater part of his life, I mistrust the mirages held up to view by so many men, most of them honest in their views. But I believe that we grow by what we feed on, and that, as the level of national intelligence rises, the idea of substituting paternalism for individual responsibility will ultimately give way to common sense.

Unpopular it may be, but the truth remains, that no permanent success will come to the nation until it comes to the individuals who make up that nation. And it will come to those individuals in direct proportion to their active curiosity about the unknown in economic life—the unknown in manufacturing, in financing, in retailing and in its active application to the unawakened desires of men and women.

And I know of no legislation which can arrest the yeasty ferment that makes people want to get on and up in the world, to try their hands at this or that without a paternalistic chart and compass.

### A pregnant question

WE overheard an exciting argument the other day. A Congressman was berating a meat packer for not passing on the hog processing tax to the consumer instead of forcing the hog raiser to pay it. The packer listened attentively, then inquired mildly if he might ask a question. And this was his question:

"Our company lost \$5,000,000 last year. If we had charged one-fourth of a cent a pound more for our products than we did, we would have made \$15,000,000 profit. My question is, why did we not do it?"

### The anatomy of a tax

STRIKING evidence of the effect of the processing tax on hogs was contained in testimony of a meat packer recently before the House Committee on Agriculture. A tax of 2.25 cents a pound on hogs may not look like much to some consumers, but in analyzing this the packer pointed out that pork loins, for example, are only 9½ per cent of the hog and that the tax cannot be assessed on low priced cuts like neckbones, feet and many other parts. Properly converted, the tax on pork loins therefore becomes 4.8 cents a pound. On green skinned hams it would become 4.93 cents on an article that was selling at the time the tax was imposed for 10.8 cents a pound. On lard it would mean a tax of 2.47 cents, an addition to the price of practically 50 per cent.

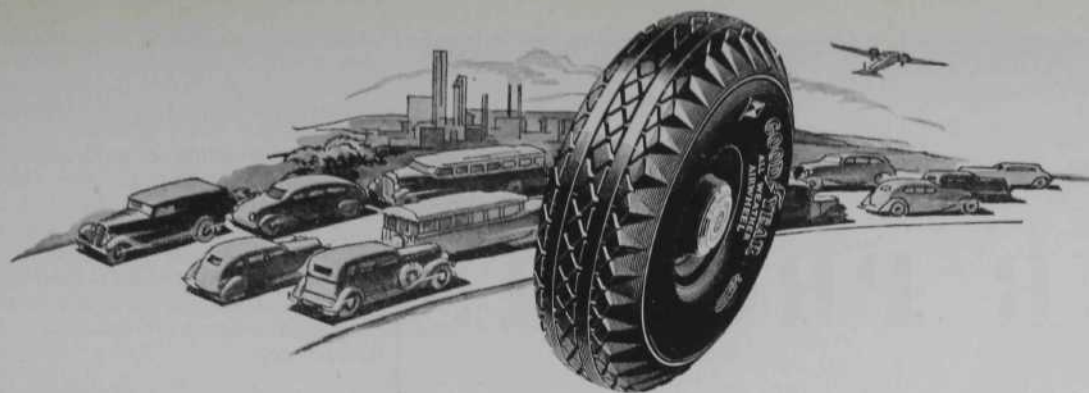
Oh, yes, we almost forgot to tell you that the packer doesn't use all of the hog but its squeal. When the packer buys a 200 pound hog 40 pounds of it never finds a market; it's waste, but the processing tax applies to this unprocessed part of the hog.

### Australia sets a style

THE come-back of Australia invites comment. For the last half year the surplus of government revenues has proved larger than was anticipated so that the Government has been able to give a fresh stimulus to industrial activity by reducing taxes and tariffs and by actual refund of substantial amounts paid in taxes.

This policy has released large amounts for productive enterprise which otherwise





# "Make No Little Plans!"

THE future of many an industry in America is being determined in these times by the calibre of its faith.

The timorous and doubtful will falter; the resolute will press on.

Here at Goodyear we are placing our reliance for times to come on the same solid base that upheld our productive past.

It is the unsurpassable ingredient which distinguished our earliest product and which gives leadership to our latest.

It is *quality*.

Our earliest product was rubber carriage tires; we made them well, and we flourished.

Our latest product is Airwheel\* and we are manufacturing five times as many as the makers of all other super-soft tires combined!

Between these two tires is a third of a century studded with the milestones of Goodyear pioneering.

Whether in passenger car, truck, or bus tires — farm implement or airplane tires, mechanical rubber goods or other products — Goodyear set and led the pace.

## OUR CREED

*"We are going to keep right on making the best tire on the market, we are going to keep right on making our franchise the most desirable any tire dealer can obtain, we are going to keep right on paying the highest wages in the industry, we are going to keep right on with our policy of fair and honest dealings with the public. This policy brought us leadership in the industry and this policy will keep us in that position no matter how hard blows the storm of competition."*

In the service of industry and transportation in future, Goodyear purposes to "Make no little plans."

It keeps its faith as always in those principles of quality manufacture, fair dealing

and common justice which have made Goodyear "the greatest name in rubber."

*P. W. Hitchfield*  
PRESIDENT,

THE GOODYEAR TIRE & RUBBER COMPANY, INC.

\*AIRWHEEL is Goodyear's trade-mark, registered in the U. S. A. and throughout the world, and is used to denote that Goodyear is the exclusive maker of AIRWHEEL Tires

THE GREATEST NAME IN RUBBER

# GOODYEAR



When buying GOODYEAR TIRES please mention Nation's Business



# THESE FACTS DETERMINE YOUR PROFITS

They are definite guide posts to the company prepared to make the most of profit possibilities. These possibilities can be realized only when you have full profit control—which means quick, vital, accurate facts at your finger tips. For instance:

## 1. SALES ANALYSIS

FACTS revealed by a comprehensive sales analysis prove which salesmen, which items, which territories are profit producers. They force concentration on profit lines. They give timely information about sales trends and enable you to regulate production requirements in an efficient manner.

## 2. INVENTORY CONTROL

FACTS are the basis of competent, profitable management. An accurate, efficient inventory control system permits lower stocks, weeding out loss items, higher rate of turnover, and maximum profits on minimum investments.

## 3. COSTS

FACTS obtained about costs show where and how profits may be increased by effecting economies. By stopping leaks which may mean the difference between red and black figures.

## 4. CONSOLIDATION of REPORTS

FACTS which result from the consolidation of reports have a very definite value if obtained in time for management to make its policy decisions. Branch office or store reports—trial balance—balance sheets must be compiled rapidly and economically to be of greatest value in determining profits.

These and all other types of profit producing **FIGURE** facts are obtained quickly, accurately, economically, by the

Comptometer Peg-Board Combination. *It is flexible:* adaptable to any kind of figure or cost routines. *More accurate:* no unnecessary recopying or duplication of figures; only original figures are used, thereby eliminating chance of errors in transposition. *Extremely fast:* providing today's figures tomorrow morning while they are pertinent, active, usable. *Economical:* most companies installing the Comptometer Peg-Board method report substantial savings (some as high as \$18,000 a year) over previous systems.

We will be happy to have you write us about your problems pertaining to collecting and compiling figure facts. A trained representative will call if you wish. No obligation. Felt & Tarrant Mfg. Co., 1712 North Paulina Street, Chicago, Ill.



The Comptometer Adding and Calculating Machine  
Made only by Felt & Tarrant Mfg. Co.

# COMPTOMETER

(TRADE-MARK)

When writing to FELT & TARRANT MFG. Co. please mention Nation's Business

would have gone into governmental expense.

## A simple test for gloomers

A READER comments on a piece in the April number, "Keep an Eye On Your Premises." He says he has been thinking along the same line; that the people of the country are in danger of accepting a philosophy of despair, that there is no future and that the best thing to do is to ease the decline back to an earlier standard of living. But, he adds,

if a man had a brother who was a farmer, do you suppose he would say to him, "Jim, there is no future in farming in this country; you ought to go to some other country—to England, or Holland, or Austria, or Canada, or South America. I'll help provide you with tickets for yourself and family." That sounds reasonable, doesn't it? Yes, it does not! And it would sound just as reasonable if the man's brother were a plumber, an electrician, a storekeeper, a doctor or a lawyer. Of all the 60 nations that make up this fair world, which one would an American pick out as offering a better opportunity in any line of endeavor than in the United States of America, benighted and bedevilled though it be today?

It strikes me that what this country needs is a rebirth of the famed common sense for which we have had some little reputation.

## A question of paternity

SOME political genealogists who are concerned to trace the family tree of the policies articulated in recovery legislation profess to see their origins in the writings of the late Congressman Lindbergh. Pareto, an Italian economist, is seen as the true sire by others, with Mussolini the first exemplar on a national scale. The policies enunciated by Eugene Debs in the Socialist campaign of 1912 would provide a rich vein of material for comparison, and the speeches of an earlier Roosevelt are their own invitation to study. With Hitler approving it as fascistic, it still seems as dubious to communists as to old guard orthodoxy. Aghast at the possible revelations of complicating kinship, one observer suggests it might be well to invoke that part of the Napoleonic code which reads: *La recherche de la paternité est interdite!*

## Silence is not always golden

A READER writes:

I have been reading your magazine for years and had come to believe from your writings that American business men were a pretty high-minded sort; that the great majority of them had social ideals as well as the yen for making money; that they were most happy when everybody was at work, when wages could be raised, when stockholders could be paid. But I have had my faith badly shaken. In the face of pitiless criticism from every quarter directed at bankers, middlemen, power people, the stock exchange, railroads and aviation companies, no business man replies. Is this because he feels he has been caught? It certainly gives that impression. The American business man makes you feel today, by his self-effacement, that everything that is said about him is true, that he is a Neanderthal, that he has nothing but clay feet, with a trace of rodent blood; that he has been a blind leader of the blind, who led the country into 1929 madness and destruction, and that the former captain of indus-



try is now only a corporal of disaster.

If the business men of the country are enemies of the rest of the public, are guilty of selfishness and greed, are really economic morons, then well and good. But if they have something to say for themselves, why in the world don't they say it!

## Our bumper crop of muck

TALLEYRAND, I think it was, who said that the success of a political party depended upon its ability to make the mass of the people hate somebody or something. Our own political parties, without exception, have followed to greater or less degree, depending upon their skill, this formula. People were taught to hate Hoover. Now they are taught to hate all the forces which enter into our national business activity. First, it was the banks and the bankers; then those handling investments; then mortgage holders; then those who furnish power and light; then manufacturers who were chiselers, sweatshop operators, child labor exploiters, rebaters, overproducers. Nor were the oil, coal and timber "barons" overlooked. Then commercial aviation. A former government employee brings out a book, "Is Your Life Insurance Safe?" Just now the communication companies are under fire, and the market places of commodities and stocks and bonds.

Perhaps it is too much to be hoped for that we shall get around in our national muck-raking to the wastes and extravagances of our political life—not a small-sized industry—which has spent this year twenty billions of dollars—half of the gross earnings of the men and women engaged in the very business activities which are under constant heckling. It might be found that this factor of excessive governmental overhead contributed in no small measure to our present business stagnation, and that a program of recovery and reform might well include government wastes and ethics in its agenda.

## Planned economy at home

THE "planned economy" as exemplified by one of the new government agencies seems to fall short, in one respect at least, in both planning and economy. To our editorial desks on one recent morning there came, intermingled with the usual flood of franked government envelopes from the numerous government publicity offices, 15 separate envelopes from the Office of the Director of Emergency Conservation Work. Ten were addressed only to NATION'S BUSINESS, five were addressed to one of the editors, each contained a one-page "memorandum for the press," and the 15 represented three complete sets of five releases.

A most useful preliminary to coordination and regimentation of private business, it seems would be a little coordination and regimentation of the outpourings of government press agents. It would give the Government useful practice in coordinating and regimenting.

Oh, yes—before we leave the subject—three of the 15 releases referred to began like this: "Living up to the Scotch implication of 'conservation,' the Civilian Conservation Corps has saved many a penny by finding practical uses for waste materials. . . ."

*M.T.*

## COURTESIES BRING R.R. PATRONS



Replacing steam with electricity. Streamlining whole trains. Providing air-conditioning and other new comforts. All these show a new and sincere determination to make travel by rail as pleasant and comfortable as possible. And an important consideration in this up-to-date thinking about the comfort of passengers concerns the appointments of car and station washrooms.

The selection of A.P.W. Onliwon Towels may seem a minor item, yet it is one that concerns passengers in a most intimate and personal way. A.P.W. Onliwon Towels are generous in size, double-folded to insure thorough drying. They are clean and pure, soft and pleasant to use. And they give to

every user the welcome assurance that he and he alone has used or handled a particular towel.

Onliwon Toilet Tissue in Onliwon Cabinets is an additional asset in washroom service. The cabinets prevent waste and theft by dispensing only two sheets at a time—they keep the tissue as safe and pure as when it left the mills.

A.P.W. Onliwon Washroom Service is complete. It will be a continuing effective reminder of your efforts to give the best possible service to everyone who uses your facilities. The present low cost of this washroom equipment will surprise you.

**A.P.W.**

**ONLIWON SANITARY WASHROOM SERVICE**

A.P.W. Paper Co., Albany, N. Y.

Representatives in leading cities.

When writing to A. P. W. Paper Co. please mention Nation's Business









# NATION'S BUSINESS



A MAGAZINE FOR BUSINESS MEN

## Speculating Upon Speculation

✓ IN the spring season, it were a sullenness against nature, wrote the poet, Milton, not to go out and see her riches, and partake in her rejoicing.

There was a time when it was the fashion to extol farming. Resourceful men connived with the wondrous alchemy of sun and rain to transmute Spring's promise into Autumn's harvest. Let insects pester and weeds invade; let droughts wither and blight confound, faith there was in the age-old speculation of the patrons of husbandry.

Man planted in expectancy. It was a simple faith, abiding, because the conditions of the compact were not changed. Hazards could be intelligently reckoned. Where risks are known, training and experience usually conquer. It is the unknown that defeats the best-laid plans, that chills the confidence essential to generate forward commitments, that restricts the area of enterprise.

Similarly, the cultivation of the business field reacts sensitively to political alarms and social confusion. This accounts for the timidity of business today. A Cabinet officer admonishes business men to avoid all speculation; yet they are forced continually to speculate on what the Government will do next.

Nor is the business community alone in the discovery of government by improvisation. It is Walter Lippmann, impartial interpreter of public policy, who sees "an economy of bedlam," and William R. Hearst coins the phrase "government by personal whim." Another commentator, Mark Sullivan, is convinced that the people are living under "personal government." Archibald MacLeish in the *Forum* speaks harshly of "intellectual terrorists . . . seizing whatever concept will most effectively destroy."

The Consumers Industries Committee, a group established by General Johnson, reports that confidence is retarded and destroyed by:

the unnecessary and repeated stirring up of uncertainties and fears which, while assuming political form as legislative proposals, are pertinent because of their direct bearing on the economic factors involved. . . . Each time the spirit of

enterprise begins to show a little vitality, some new political obstacle is thrown into the roadway and the enterprise is forced to retreat.

Owen D. Young's words of caution are eloquent of the business state of mind:

In our present reaction, there is some demand that the Government which makes the rules and acts as referee shall take hold of the rope permanently itself. . . . New rules, yes, we should loyally accept them; . . . but the Government as a contestant with its own people, well, Americans will hesitate long, I think, before they permanently cross that great divide.

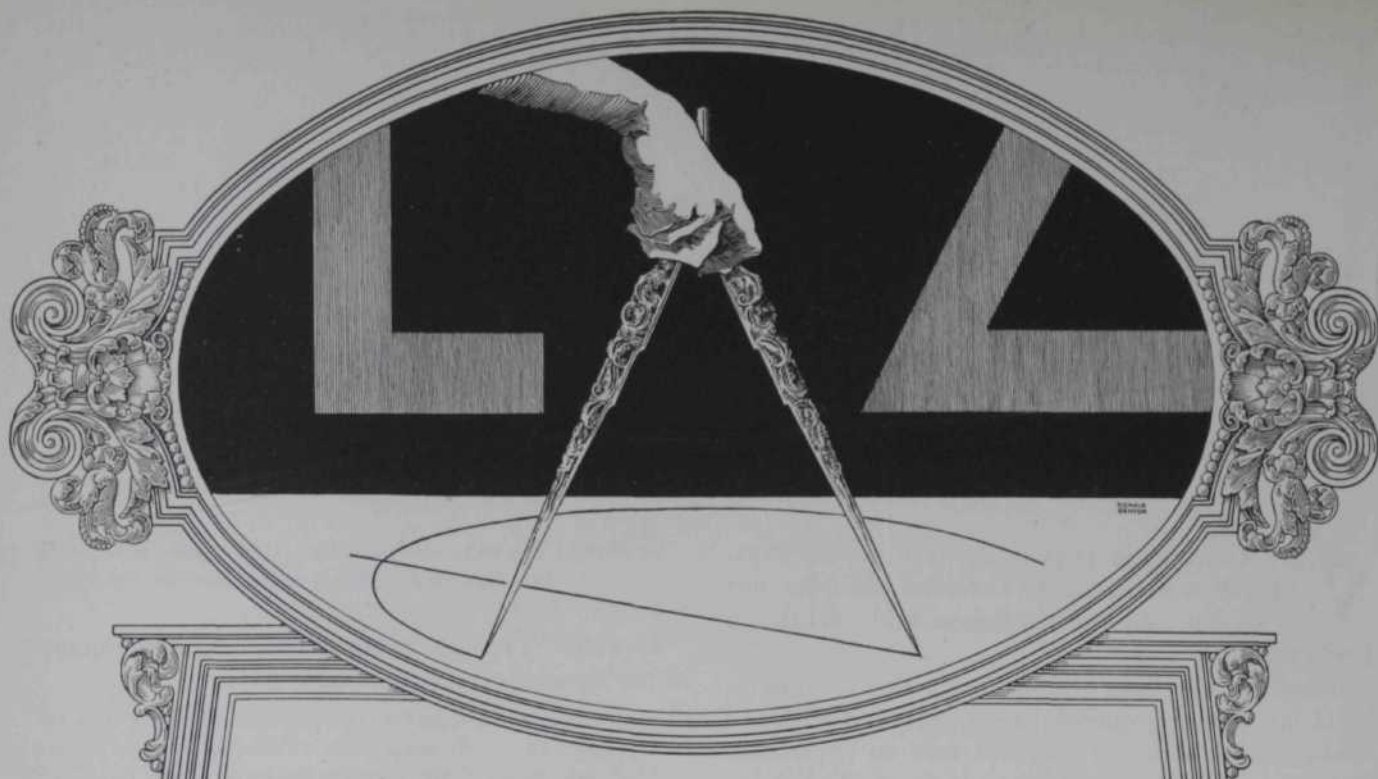
It is bad for recovery when those responsible for business activity come to accept innovation as the most dependable pillar of the political structure. A foreign observer sees eye to eye with them in this appraisal. Sir Arthur Salter touches the heart of the measures invoked in the name of recovery, when he says:

National policies that are fundamentally inconsistent in themselves, that are intrinsically self-destructive are an impossible foundation for any tolerable economic system. Piecemeal and improvised action, dictated by emergencies and sectional pressure, does not give us a planned economy.

A planned economy may constrict designs for living, may modify individual enterprise. But the planlessness which issues from the confusion of planners is chaos. Where political uncertainty is the rule, business men cannot make long term contracts; they cannot plan ahead; they cannot expand and add more workers; they cannot gauge future receipts and expenses as accurately as they did even at the nadir of the depression.

There is a practicable idealism in a political objective which sees the employer and the employee working in partnership with the Government. Likewise, realistic and ideal: When business can quit speculating as to what the Government's next speculation is, it will use its powers to the full, and thus give added impetus to the already material start toward recovery.

Merce Thorne



## FROM HERE TO THERE

To go from where you are, to where you want to arrive, may be largely a matter of your own personal planning. How nicely and insistently are you doing that job? Personal planning! One employee of a great institution made an intensive study of the possibilities of Mimeographing for that industry, sold this idea to his superiors, and advanced himself materially. With the utmost nicety the Mimeograph turns out an hourly grist of thousands of well-printed copies of any form, letter, bulletin, graph, map, line-drawing—at low cost and high speed. Its range has been multiplied by many improvements, making possible thousands of new applications. Greater precision! Why not find out what the Mimeograph can do for your business—and for you? It may not be far from *here* to *there*. Write A. B. Dick Company, Chicago, or see your classified telephone directory for local address.

# M I M E O G R A P H



*When phoning your local MIMEOGRAPH dealer please mention Nation's Business*



May • 1934

★ ★ ★

## Inflation and Your Business

By W. S. LANDIS Vice President, American Cyanamid Company

UNLESS America awakens quickly, I believe we will see at least a ten per cent dollar by 1936," says Dr. Landis. He describes here the inflation experiences of other nations and tells the reasons why he believes that this country may follow the same course

★ WHEN a Government finds itself with a series of unbalanced budgets—that it has been spending more than it has been receiving—the way out is not through the bankruptcy court, but generally *via* the currency inflation route.

From the standpoint of creditors of the Government, this will mean repudiation; but this ugly word, with its unsavory implications, is avoided, and the gentler term, "inflation," is used instead, because many voters still do not relate the two.

Immediately after the Great War began, practically all European nations left the gold standard and went on a fiat or token currency basis. The great cost of the war quickly unbalanced their budgets, because, in many countries, taxes were not readjusted until after its close. These deficits were met by long term borrowings, short term advances from the Central Banks, and by the issuance of printing press money, not redeemable in gold. In short their currency became "inflated."

Today we in the U. S. are in a similar situation, with an unbalanced budget for the fourth consecutive year and the end not in sight; we are off gold, our entire currency is irredeemable; we are in the midst of an unintelligible gold



PAY OFF THE MORTGAGE IN DEPRECIATED CURRENCY



AND TAKE YOUR INSURANCE BENEFITS IN THE SAME.



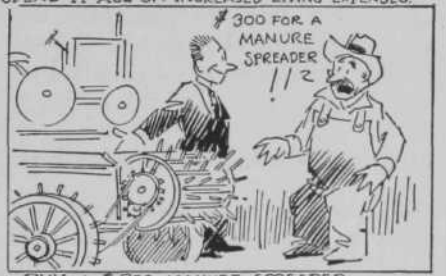
GET A NICE RAISE IN PAY — AND



SPEND IT ALL ON INCREASED LIVING EXPENSES.



SELL DOLLAR CORN — AND



BUY A \$300 MANURE SPREADER.



RUN THE PRINTING PRESSES UNTIL EVERYBODY HAS PLENTY OF MONEY AND A BARRELFUL WON'T BUY A BOTTLE OF BEER.



COPYRIGHT HERALD TRIBUNE SYNDICATE

"The Advantages of Inflation," by Carlisle in N. Y. Herald Tribune

purchase policy, and we are promised a "managed" currency.

The average American laughs at the idea that his currency may go the way of Germany's; in fact he doesn't even take seriously the possibility that it may depreciate as far as that of France. Let us set down a few facts to show the

situation in those countries during the war and inflation periods.

The German national debt before the war was 4,000,000,000 marks (\$1,000,000,000); the French national debt at the same date was 32,000,000,000 francs (\$6,000,000,000). Our national debt in 1931 was \$16,000,000,000. The annual



deficits of these countries for the fiscal years indicated were—

Year	Annual Deficits (billions)	
	Germany Gold Marks	France Gold Francs
1914	6	6
1915	24	18
1916	26	28
1917	44	34
1918	37	46
1919	16	14
1920	6	13
1921	6	7
1922	4	5
1923	8	4
1924	stab.	1.5
1925		1
1926		0.25
1927		stab.

(4 marks or 5 francs equal 1 dollar)

Compare these deficits with our own.

1931	1 billion dollars
1932	2.9 billion dollars
1933	3 billion dollars
1934	7 billion dollars (projected)
1935	?

The German deficits include reparations. The French deficits include reconstruction expenses which the Government originally expected to recover from Germany through reparations payments.

But this comparison is much too favorable to the United States because it omits the large public debt of our minor subdivisions of government, many of which also are accumulating deficits. For this situation there was no corresponding French or German parallel, or at least only to a small extent.

### Helping industry and agriculture

ONE properly asks where all this money went. German reparations paid up to 1924 are difficult to approximate. They were probably much less (money and kind) than 10,000,000,000 marks. French reconstruction cost some 150,000,000,000 paper francs—say between 50 and 75 billion gold. This was a sort of French PWA.

The railways of both France and Germany received great assistance from their RFC. Farms had to be reequipped and rehabilitated—their AAA. Then the lesser subdivisions of government found that taxes levied one year and collected the next (during which purchasing power had shrunk due to further inflation), did not begin to pay the bills, and hence they had to call upon the central government for assistance. We shall face that same critical situation to an even greater extent in the near future.

There was also the problem of relief. Ex-soldiers could not be placed immediately in industry in Germany and so the dole was introduced, their form of CCC, CWA, and the rest of the alphabet. About 400,000 men were on the relief

rolls in Germany at the end of 1919. France had no such problem because reconstruction absorbed all workers for several years.

The similarity between the post-war expenditures in France and Germany and our New Deal alphabet is very plain. Yet there were some fundamental differences. Their farm relief, for example, was designed to produce more and cheaper crops, and was directed intensively to those ends. Throughout the post-war period, all European nations used every possible means to reduce costs and prices. They believed goods were more easily sold at lower than at higher prices; and, as goods were sold, industry and agriculture would employ people. They did not believe that higher prices resulted in a wider distribution. Lower prices also reduced the cost of relief when the greatest number of unemployed had to be cared for.

### Couldn't stop depreciation

AS a result of this debt accumulation, the German mark, which was nearly par in New York on Armistice Day, 1918, dropped by the end of 1923 to one one-trillionth its pre-war value. The Government made two serious attempts to halt this depreciation. The mark was held fairly steady during all of 1920 and the first half of 1921. Again, in the late winter of 1922-3, the Central Bank intervened, but merely exhausted its resources with no lasting effect. It was not until the fall of 1923 that the budget was first balanced, and the currency first temporarily stabilized at the rate of 4.2 trillion per dollar; in 1924 a new currency unit based on gold was established.

France tried in 1922 to stabilize and actually improved the franc for nearly two years but, with the budget still out of balance, failed to accomplish much. It was not until the end of 1926 that the budget was brought to balance, and revaluation on a gold bullion basis enabled at least a temporary halt in the depreciation of the franc. The last word has not yet been written.

With this picture in mind (and it could be repeated for other countries), one can readily see that, with our unbalanced budget, we are likely to find ourselves soon in the midst of some monetary troubles. In addition, we have active silver supporters, a bonus bloc, a greenback crew, a brain trust, all unknown to Europe in those days.

Now what will our inflationary program mean to business? In the first place, working capital will shrink in value as prices rise. Banks are out of the picture at a time like this because the banks have no more deposits. People don't deposit when they learn that purchasing power of deposits will decrease or may even be wiped out. Ultimately Germany had to pass a decree

permitting the Reichsbank to lend direct to industry. Bank rates had become high because of the scarcity of lendable funds. The Reichsbank set at first the comparatively low rate of five per cent as compared with the private bank rate of some 20 per cent.

But this didn't last and the Reichsbank soon reached a rate of 900 per cent, and even then complained that the money was being "given away."

Mortgage loans were sometimes available at rates from 16 to 40 per cent but they disappeared also when inflation got well under way. As this situation developed, many businesses closed shop. Some were absorbed by stronger companies with ample capital; while some were absorbed by other companies that thought they had enough liquid capital to stretch over the combination, but later found that they had underestimated the ravishing effects of inflation.

Prices must advance ahead of wages in such a period if one is to keep in business. Labor, after all, plays a considerable part in the ultimate cost as compared with that of the basic raw materials. The price at which an article is sold must be, not merely sufficient for replacement at its original cost, but high enough to permit replacement at some unknown future and higher cost occasioned by the inflation.

Neglect of this basic principle caused many business wrecks in Europe after the war. Any attempt to prevent business from charging on this basis merely means forcing that business by degrees into the bankruptcy court.

Since prices must advance ahead of wages, the working man suffers from inflation. In Germany wages (common) at the peak of inflation had about 60 to 70 per cent of pre-war purchasing power, salaries 30 per cent or less. Records show labor receiving the New York equivalent of one-quarter cent an hour; of managerial salaries equivalent to 60 cents a week.

### Labor suffered most

AS domestic purchasing power was being so reduced, domestic business was withering. Export industries, of course, were temporarily helped, but the advantages they derived were taken largely from the laborer. In France, the situation was about the same. Agricultural laborers earned in real wages about 50 per cent of what they did in 1914, salaried men about 25 per cent. Those who suffered most were government employees whose wages were raised at longer intervals; the longer the interval the greater the loss. They got next to nothing at times.

Term contracts made in depreciating currency units are not in fashion. When, through ignorance of the situation, such contracts are made, they are evaded if possible; if they cannot be evaded, they



sink the seller. Many ingenious ruses are used to evade them.

One can sum up the contract situation in Germany by saying, in general, that none of them (in terms of marks) were performed according to the letter. Later, they were made in dollar equivalents (then a stable monetary unit) or in terms of values of other commodities such as rye or coal. The dollar was a common form of "gold clause," although it could not actually be demanded in retail trade inside Germany.

Insurance was no problem, as the insurance companies soon became insolvent. No one could set a future replacement value on property and pay an advance premium in such value, even if the right figure had been guessed. People carried their own risks to a large extent.

There is much misinformation among business men in the United States as to the reported benefits of inflation. We shall examine a few.

General or total debt reduction did not occur in any country. In theory, wholesale reduction should occur, but in practice it did not. Take the farm debts of Germany as an example, for here we have exact figures. In 1914 the total farm debt was about 1,000,000,000 marks; three-quarters in mortgages, one-quarter short term. Upon stabilization in 1924 this total farm debt was 2,000,000,000 marks (same gold value as for 1914) of which 1,000,000,000 was mortgage.

Probably the only reason the total was not greater was that more funds were not available. Two years later (1926) the farm debt was more than 4,000,000,000 marks of which 2,500,000,000 was mortgage. Pre-war interest rates averaged five per cent. In 1926, the mortgages added in the course of the inflation and after, carried interest rates of 16 to 20 per cent. In 1930, the total farm debts had increased to 10,000,000,000 marks (same value as pre-war), of which half was mortgage with interest rates averaging 10 to 12 per cent.

In France, the mortgage situation was much the same. During inflation mortgage money disappeared so no increases could be made. There were also no decreases in face value of totals, although payment in the depreciated currency meant a saving to the debtor. He did not have the money. A few mortgages coming due during inflation were paid off, but the new ones, placed as fast as funds were available, more than made up for those paid off. Three years after stabilization the farm mortgages in France had a greater total value in terms of pre-war francs, than at the outbreak of war or on Armistice Day.

In many cases where evidences of debt could be called or the debt paid, the debtor, noting the continually depreciating currency, postponed payment, believing tomorrow his debt would be cheaper. In many cases, however, he was caught by stabilization with no funds or, in Germany, by the revaluation laws. Speculators in debts were particularly hard hit by this same program.

With government debts the case was different, since the Government plays with loaded dice.

The benefit of inflation to export business has been grossly overrated, without respect for present facts. At best the effect is only temporary. With us export is never likely to be as important as domestic business, and no possi-

not been converted fully to peace-time production. In 1920 the currency, while it had lost 80 per cent of its value, was comparatively stable.

In June, 1921, it again began to drop. Hedging set in, a new stimulus was given to export business, and employment picked up.

Unemployment reached a low point in September, 1922, because of extraordinary efforts to place people on the farms to increase production.

However, in November, 1922, depreciation of the currency unit became much more pronounced, the mark losing half its value between November and December.

Unemployment increased greatly, as indicated in the figures, and, with the final collapse of the mark in the fall of 1923, had become staggering. The peak of unemployment came early in 1924 with stabilization, a volume not exceeded again until 1931.

In this German inflationary period, exports did not save the situation, giving temporary help only in the early part of 1920 and the latter part of 1922. The World had begun to study combative means in the shape of licenses, import quotas, depreciation currency duties, and the like, and it had many of them in good working order in 1923. Today they are all available and in a greatly improved form. The recent additions of the import clearing house in Czecho-Slovakia, the blocked payment system of Germany, the rationing of foreign exchange, all will soon cancel any advantage to the exporter. Meanwhile domestic markets will shrink.

It might be well to point out another management problem that wrecked a number of institutions. Common stocks became a favorite hedge.

### Hedging in the stock market

STOCK prices rose enormously despite the fact that the pinch of capital shrinkage forced many new share issues. When the party was over, stabilization forced a deflation of the share issues. The old stockholder who paid in good gold currency had to take the same treatment as a new holder who paid in inflation paper.

He, of course, was dissatisfied with the management for "cheating" him, but equally serious was the fact that the corporation passed to the new holders who had bought merely as a hedge and with no knowledge of or intent to participate in the business.

This strewed the wrecks over the stabilization period because it takes genuine skill to navigate a corporation

(Continued on page 76)

---

**IMMEDIATELY after the war, the Duke Foundation sent Dr. Landis to Germany, France and England to study the behavior of trust funds under inflation. He has returned regularly since. He offers original data from bank files and company reports rather than argument. His article contributes to a better understanding of the probable results of inflation to individual businesses**

---

ble expansion of export can make up for the shrinkage in domestic markets by the deficient purchasing power of labor. In fact, home labor pays the subsidy to the foreign buyer which makes possible the temporary expansion of exports.

Unemployment is a good measure of industrial activity. Let us look again at Germany (an industrial nation, more comparable to our present development than France).

The unemployed in Germany at the respective dates given were approximately:

1919	no figures	
1920	January	450,000 unemployed
	July	320,000 "
1921	January	860,000 "
	July	650,000 "
1922	January	375,000 "
	July	45,000 "
1923	January	186,000 "
	July	375,000 "
	December	2,900,000 "

(Summer figures reflect absorption on farms)

During 1919 German industry had





The farmer must know that man advances only by increased production, never by diminution or destruction

★ AMONG all the voices raised to challenge, to question, or to oppose the measures invoked in the name of recovery, that of the farmer is seldom heard. Perhaps the farmer's voice has been silenced because he has accepted a dole in return for an agreement to reduce his output and he hesitates to bite the hand that bribes him.

If, then, I raise my voice I do so with a measure of authority. I am a farmer and I think I know farmers. For 44 years I have owned and operated a Kansas farm. For the past 18 of those years it has occupied my time, my body and my mind to the exclusion of most other interests. Moreover, I have not surrendered my freedom and agreed to cut down my production in return for a government dole. We have heard too much from professional "farm leaders," not enough from leading farmers. It is as a real farmer that I should like to be heard.

The social values of agriculture are as important, if not more important, than the economic; and the program of the AAA, chief agent of the New Deal in its relation to the farmer, puts an axe at the very root of these values. Contracts with the Department of Agriculture under the crop reduction plan rob the farmer of the independence which has always distinguished his manner of life. By accepting the subsidy he becomes a kept man and a kept man is no more helpful socially, economically or morally than a kept woman.

It is the effect of the program on the farmer's character that I resent. He is slowly sacrificing his self-respect, giving up his freedom. But already there are signs of a revolt. More and more the thoughtful farmer is making it plain that chiefly he wants to be let alone. As a farmer wrote to me the other day:

"If we don't stop being helped, we'll soon be ruined."

The farmer has signed the reduction agreement with the AAA, not because he believed it was fundamentally right, but because he was eager for, and in need of, money. His reason flatly rejects the thing because it denies the jurisdiction of fundamental laws and discards the wisdom of experience. If he is guided by any wisdom in signing with the Government it is the wisdom of hope rather than the wisdom of experience.

I can recall that my father used sometimes to profess a

# A Farmer

IN THIS article a farmer states his objections to Government control of farm production. Senator Bankhead, author of a bill looking toward compulsory reduction of cotton acreage, has accepted our invitation to explain next month why government control is inevitable

reliance on this kind of wisdom in seeking excuse for undertaking some exceptionally venturesome enterprise. He usually wound up by saying, "I tackled this job, persuaded by my conviction that God Almighty hates a coward, only to discover that He has a deeper hatred for a damn-fool."

In casting aside the wisdom of experience, the farmer has lost integrity, and to this loss is always added loss of self-respect. But, defensively, he protests that his "benefit" is not a gift, a bribe, a subsidy because—as in the case of hogs, for instance—he regards it simply as his own rightful money which the Government is restoring to him. He argues, "if the Government were not collecting a processing tax, I would now receive \$6.25 per hundredweight for my hogs instead of the \$4.00 I am actually getting."

He overlooks the fact that it is not the source of the payment but its purpose and effect which taints it and poisons its recipient.

## Signing away their freedom

IN March I sold fifty 220-pound fall pigs for \$414.41. The buyer handed over to the Government \$244.65 for the privilege of preparing these pigs for the consumer. The Government proposes to distribute this money among my contracting neighbors at the rate of \$5 per hog for three-quarters of the annual average number of hogs sold by them in the two preceding years.

Is this money theirs by right? Their signature to the contract with Secretary Wallace deliberately gives consent to the loss of political rights which free men have commonly held to be more precious than life itself. They should know that "political liberties always have gone down when economic liberty is circumscribed!"

In contracting with the Secretary, they agree "to conform to and abide by regulations and rulings heretofore or here-



# Pleads for Freedom

By DAN D. CASEMENT Farmer of Manhattan, Kan.

after prescribed by the Secretary of Agriculture or his agents." One might as sensibly buy a pig in a poke or sign a blank check.

Daily it becomes more clear that, in his eagerness to obtain the so-called "benefit," the contracting farmer is totally disregarding the consequences of his action.

From the economic angle, if he thinks at all, he must know that man can achieve advancement and enhanced welfare only by increasing production, never by diminution or destruction.

Is it sensible that in a world where men button up their coats to hide the fact that they have no shirts, a Congress should discuss a bill to punish the farmer who grows more cotton than a government bureau tells him he may grow?

Is it reasonable that in a world where undernourished children go to school without the minimum of milk necessary to their health, the Government proposes to pay the farmer to keep his milk output ten to 20 per cent under the years 1932 and 1933?

We destroy pigs that might have fed the unemployed; we keep down the output of wheat while men want bread; we talk of putting a ban on new machinery as if we were in danger of being buried under an avalanche of unusable goods. And all the time men want homes, want food, want warmth, want comforts and luxuries, and are ready to work to produce that their products may be traded to fill their wants.

That is the economic angle. From the personal and social angle, the consequences are even graver. No great gift of prophecy is needed to foretell that, resenting the advent of the enforcing agencies and plagued by the activities of a myriad of spies and informers, the gratitude of the signed-up farmer will wane and he will be filled with self-pity and hatred before his permitted quota of hogs is counted, before his allotted acres are measured and before even the second install-

ment of the "benefit" that is paid him has reached his hands.

As each year ends it is our practice to review accomplishments on my farm to make an inventory of property values. Thus the fiscal record of the farm's progress has been preserved in a series of annual cash statements and balance sheets for many years. The record for 1933 is before me. It indicates that disbursements exceeded receipts by \$192.05, which fact, in the circumstances, is mildly gratifying.

In the current balance sheet, an arbitrary reduction of



In March I sold 50 hogs for \$414.41. The buyer handed the Government \$244.65 for the privilege of preparing them for the consumer



\$62,415 was made in the figures which for many years have been used as representing the value of the 2,985 acres of the farm and its blue-stem pastures on the surrounding flint hills. But this fact has little significance, since it would today doubtless be difficult to find a purchaser even at the greatly reduced valuation. Then, too, the farm is not for sale. Not yet, at least.

### A budget full of perplexity

WITH the statement and appraisal finished, it has been our custom annually to make a budget setting forth a plan and recording our hopes for the coming year. Never before has this task presented so many perplexities, because today we face the sudden advent of a new, strange force in agriculture, the voices of visionaries announcing the miraculous repeal of natural laws.

How may I approximate accuracy in estimating the probable returns on the March and April market from my 474 fall pigs, if the factors which have formerly governed price behavior are now to be set at naught by edict? Shall I deduct the amount of the processing tax from the price which might reasonably be justified by the probable scope of supply and demand? How am I to face the problem of making live pork—selling on the Kansas City market today at \$3.50 per hundredweight—by feeding corn pegged by government loans at 45 cents per bushel?

The triple A would meet my perplexity with an offer to pay me \$3,015 for my adjusted average hog crop of the past two years, provided I will promise to dispose at once of 18 piggy sows and market not more than 603 pigs this year: and provided also that I will let one-fifth of my corn field lie idle, accepting 30 cents a bushel for the problematical yield of the idle acres.

However, the fulfillment of my implied obligation under such a contract is beyond my power. I cannot foretell the number of pigs a sow will farrow or forbid a March blizzard to destroy all of them. I can only guess at my average acreage and yield of corn for the past five years, nor can I, with any good grace and comfort, assume that my acres this year will yield an average of the past five years.

By accepting that gift in those circumstances, I hold that the farmer violates his intellectual integrity and compromises his moral probity. The continued existence of a Government depends on the integrity of its people and, as I see it, in prostituting the virtue of its citizens, the Government is imperiling its own life. It is for these reasons that I have not, and will not, become a party to such a contract, unless under compulsion, and compulsion seems not far off.

It will be recalled that this bargain was to be entirely voluntary on the farmer's part. That fact is stressed in the prospectus and also it is strongly denied that payments under the plan are gifts from the Government. The formula runs like this: "They are your share of the larger total income that is possible under controlled production."

But now it appears to be contemplated that those who fail to volunteer will be disciplined. This new development is well under way as regards cotton. Already there are proposals for a similar control of wheat. Doubtless the corn-hog program will be next on the list for modification.

Before this fate befalls me, before I am compelled to take out a license to cultivate my own farm and am forced to operate it under the regulation and supervision of federal inspectors, I would like to go back a little over my experience as a farmer during those years wherein the so-called farm problem was born, grew and found a "solution" at the hands of the Agricultural Adjustment Administration.

The property has been operated during the half century of my association with it as a live stock farm stressing the production of beef and pork on the hoof. Beef cattle and hogs are bred and finished for market and the home-grown cattle are supplemented by steer calves bought on the western ranges. There is also a small dairy, a few sheep and horses

both for draft and riding. Practically all crops are marketed as live stock. In recent years from 20,000 to 30,000 bushels of grain and more than 100 tons of mill products have been consumed annually in addition to the crops grown on the farm.

The plan of operation requires the conversion into cash, during each 12-month period, of the year's entire production of crops and live stock, excepting only such of the increase of the latter as are needed to maintain the efficiency of the breeding herds. For the 15 years from 1916 to 1930 inclusive, the inventory value of the property has averaged \$207,000 and the gross cash returns have totaled \$1,045,686.71. Operating costs for those years have totaled \$921,227.60, leaving a balance of \$124,409.11.

During the past eight of these 15 years I paid wages to myself in the sum of \$9,700 and have shared my cash dividends with my foreman. An effort at profit-sharing has added \$3,646.40 to the income from wages of the other men on the place. After deducting my own wages and the men's bonus, the receipts for the 15 years exceeded expenditures by \$111,062.71, an annual average of \$7,404.18, equalling 3.57 per cent on average inventory.

In four of the 15 years with which I am dealing actual losses were incurred. The year 1930 was the most disastrous of all the years, disbursements exceeding receipts by \$9,592.03. This condition, however, was reversed in the three preceding years when the average annual income exceeded expense by \$15,210.97.

### Obtained a reasonable return

AS a happy and contented farmer I realize that nothing in these facts would recommend farming as a means of acquiring wealth quickly or in large measure. However, it seems to me they might fairly be construed to support a more successful defense of farming as a business which has heretofore assured some security of tenure in one's possessions. For instance, I received for 15 years on property of a net worth of \$207,000 a return equivalent to the interest which would have been earned in a like period by an identical sum invested in federal bonds.

That thought is all the more reassuring when one recalls that, during more than half of these years, farmers commonly felt themselves to be the victims of evil circumstances and were raising loud and anguished cries for help.

The sorry financial results of the last four hard years were not shared exclusively by farmers. They only mildly reflect the reversal that has been visited upon practically every one of our citizens during that period. If my experience as a farmer has been exceptionally fortunate in that time, it is due mainly to the fact that I have not had to meet interest payments on a mortgage.

The real and pressing problem of the farmer is debt. Aside from such attempts as have been made to lighten this burden by adjustments of principal and reduction of interest, no measure thus far invoked by the "new deal" holds any fair promise of a solution.

The dollar, even though devalued, has eluded the farmer. Reduction of acreage in cotton threatens to leave 300,000 "croppers" and their families without means of livelihood. Benefits to wheat farmers have already failed of their announced purpose, and God in His heaven is still to be heard from. It will be little short of a miracle if He does not render futile that project much more completely than man already has done.

As an alternative to the measures which unpracticed visionaries are launching to cure our troubles, an effort far more sensible might be made to restore world trade to the status prevailing before the Great War.

Neither public nor private debts have ever been discharged save by the practice of rigid thrift and economy. There is no reason to believe that this copy book maxim has recently been

(Continued on page 101)



# What's Ahead in Washington

W. M. Kiplinger *Tries to Shed a Bit of Light*

Dear Mac:

ON YOUR last trip to Washington, you gave me a list of questions which I agreed to try to answer, and this is the effort. Your questions were clear, and some of my answers are not clear, not specific. The reason for this is that the Washington situation is so complex, such a jumble of various conflicting forces, that to be too precise is often to be inaccurate. The dogmatic explanation makes a better story, but it is likely to mislead you in your practical day-to-day business decisions.

Yes, I think you need to watch Washington as closely as at any time in the past year. A change is occurring here, but it isn't the sort of change which will let you run your own business without some measure of control from Washington. More of this later.

Let me remind you once again that I write as a reporter, not as an advocate of anything. What you need is a photograph of the Washington situation, rather than a print tinted to please. There's entirely too much wishful thinking about Washington these days, and you shouldn't be a victim of it.

## Meaning of New Deal

greater than that which exists within officialdom.

There's just one main central idea which always ought to be kept in mind about the Roosevelt Administration. It is the idea of government control of business. The methods and the application change from time to time, but the idea sticks. The Administration proceeds, step by step, on the theory that business, when left to itself, made a mess of things and brought on the depression, and that, to restore normal conditions, it is essential to impose social control on private business. Government regulation is the cardinal point of the whole Roosevelt program, and it will not be given up.

Thus the outlook is for more politics in business.

## Reaction

It started about March 1, and it has grown rapidly from then to now.

The basic cause is an accumulation of irritations and confusions. The incidents which precipitated the new outburst of dissatisfaction were these: The air mail policy. The NRA meetings, which were not satisfactory to most of the business men in attendance. The stock exchange bill, the first draft of which was too drastic. The Wirt charges of radicalism within the Government.

The President's political prestige undoubtedly has cracked. The width and depth of the crack is a matter of opinion, often partisan. My own opinion, non-partisan, is that now, for the first time since the new Administration came into

power, the President is faced with a challenge of conservatives within his own Government, and that he can no longer "dictate." He must make certain compromises.

## "Right Swing"

of the past, a period in which to catch the breath, to consolidate positions on the reforms initiated in the past year. It will not be thoroughly consistent. There will be a continuation of acts and policies which will seem drastic, but the *net* implication in the government actions of the immediate future will seem to be conservative.

Details will be discussed later.

## Radicalism

to turn the nation communistic.

No, flat *no*. Dr. Wirt's charges grew out of a fevered imagination. I know you are inclined to think otherwise, but I believe you are thinking crookedly.

The issue as between conservatives of all shades, and radicals or liberals of all tints is not communism, or abolition of the system of private property and profits. The issue is over social control, government control.

The controversies are not over whether there shall or shall not be a larger measure of government control in the future than in the past. Most persons, even most conservative business men, have accepted the view that a larger measure of government control is desirable. The controversies are over the questions of how much, how fast, how far, shall government control be imposed.

Most of the intellectual advisers within the Government are "liberals," in the sense that they believe in more government regulation, more political supervision of business, some undetermined brand of economic planning, and some further measures to restrict large private fortunes and to effect a better distribution of private wealth. It is not an exaggeration to say that the intellectual force within the Government is mildly socialistic. But it is the socialism of *control*, rather than the Marxian socialism of government ownership and operation.

Put it another way: The Roosevelt Administration wants to maintain the capitalistic system and private profits. It doesn't want to take over the operation of business. But it wants the Government, acting as agent for the general public, to control, supervise, give sense of direction. It wants economic planning done by a combination of private business and the Government. It wants to allow profits, but to take away substantial portions of them, after they have accumulated, by the taxing process.

These are, generally, the aims of the President himself. He is not blind to the radical forces, nor to the ultra-con-

I THINK you can expect for the next few months a series of policies which the newspapers will hail as a "right swing." Actually it will not be a right swing, but a pause in the left swing

YOU, like many others, asked whether it is true that there are many radicals of the communistic variety within the Government, and whether there is anything resembling a plot



servative forces. He is trying to steer a middle course, to produce a rapid evolution as a substitute for a revolution. He is a great believer in experimentation. Some of his experiments may work, some may fail. But he thinks the dangers in experimentation, even when it fails, are less than the dangers in sticking by the old conservative methods.

## The Brain Men

YOU inquired about the "Brain Trust." Once upon a time, when Mr. Roosevelt was running for election, he had a collection of professors as advisers. He brought a few of these to Washington. Immediately they began to split apart, and the "trust" disappeared. It stuck only in newspaper dispatches.

There is no cohesiveness among the technical advisers of the Government. There are various little groups, spheres of influence. Tugwell heads one, the most radical. Frankfurter-trained Harvard lawyers compose one, less radical, more moderate, but devoted to government control. Dickinson has his sphere of distinctly moderate brain men. Richberg has his followers. Goldenweiser, Riefler and Eastman have their respective spheres, moderate. None of these groups stick together on all issues.

Jews are prominent among the technical advisers of the Government. There is not a disproportionate number of them. They do not form any single sphere of intellectual influence. I say this as a dispassionate observer, with full knowledge that the statement will draw criticism both from Jews, who don't like to have the subject mentioned, and from others who are being propagandized into thinking there is such a thing in this country as a "Jewish problem."

## Government Machinery

YOU asked whether the officials are wide awake to the harassments which they have caused business, whether they understand that Washington at this stage is retarding business recovery. It isn't possible to answer either yes or no.

In a general sort of way I should say that officialdom has not been keenly aware of the disjoints.

The trouble has been largely in the confusion which exists within the Government itself. There have been and still are entirely too many conflicts and confusions of policies, too much working at cross purposes. A certain amount of confusion is inevitable and excusable, but there's more of it at present than is justified.

Administrative ability is a quality which this Administration lacks. It has too few men who can "get things done." The good executives are these: The President, Morgenthau, Roper, Jesse Jones, Hopkins, Myers of Farm Credit Administration, Black of Federal Reserve, Douglas, Eastman, Comptroller of the Currency O'Connor, Heimann of the Shipping Board.

It takes a scientist to think up a locomotive, but you wouldn't put a scientist in the cab to run a locomotive with a lot of valuable passengers behind. He would understand the principles, but he wouldn't know the tracks, curves and signals. Yet this is precisely what the Roosevelt Administration has done with a good many of its pieces of governmental machinery.

## Cabinet

THE time is approaching when the Cabinet must be reorganized. Farley probably must go; he lacks any elements of statesmanship. Dern is weak and Cummings is weak. Tugwell, the theorist, must be replaced. NRA eventually must pass into new hands, but it's hard to find a man with Johnson's energy and courage but without Johnson's indiscretion. Davis in AAA is reasonably satisfactory. Wallace is the Cabinet's poorest administrator, but he is too valuable in other ways to be replaced. Ickes is a fussy man, but he earns

his salt. Miss Perkins is permanent, despite the mounting tide of wrath against her for her high-hatting habits.

The President would like to elevate Richberg of NRA, but hasn't discovered the opportunity. A new man must be found to be Governor of the Federal Reserve Board to replace Black, who wants to resign this summer (a great loss). Jesse Jones probably wants the post.

The President is on the hunt for "new blood" for his officialdom. He realizes that the Government is overloaded with thinkers, and he is looking for more doers. Watch appointments in the next month or two, and you will see this new phase of the New Deal.

## Congressional Politics

YOU wanted to know the state of mind in Congress, whether there is an outright revolt against Roosevelt, especially in view of the overriding of the veto on pay and pensions.

Remember always that the first interest of most members of the House is to get reelected next fall. This means that, on bills which mean money payments to a lot of folks back home, the voting is likely to be determined by local considerations. This was the case in the overriding of the veto. Money for folks back home means reelection (maybe), and this means more than party discipline.

Democratic discipline in Congress has been lax, because things have been easy for the President. From now on the Administration will have to fight for what it wants. Also the downtown executive officials will have to learn what every Administration takes a year or two to learn—that it is politically necessary to slap the backs of members of Congress. It's an "obnoxious necessity." Hoover learned it too late. Roosevelt hasn't yet learned it.

There's also much congressional dissatisfaction with patronage. Farley is getting kicked because he hasn't consulted congressmen sufficiently.

A great majority of Democratic members of Congress think privately that "the Roosevelt program is pretty fancy." Yet they go along because Roosevelt has more prestige than they have, and they can ride on his band wagon for a while yet.

On most issues you can count on Congress as being more conservative than the President on measures for government regulation of this-and-that. On matters of spending, Congress is less conservative than the President, and there is always the danger that Congress will exceed the President's wishes on the budget.

Rayburn in the House is becoming a good party leader, and there's strong sentiment for making him Speaker next year in place of Rainey.

Vandenberg of Michigan is showing as one of the strongest Republican Senators and already he is being mentioned as a possible Republican candidate for President in 1936.

## NRA, AAA

YOU asked whether NRA and AAA are "breaking down." Many of their policies have not been effective, because the problem of enforcement or compliance has not been worked out.

There are minor breakdowns from time to time, but I don't think either will come to the point of collapse.

It seems possible, however, that both NRA and AAA will decide a few months hence that they have bitten off more than they can chew, and that they will limit their scope of immediate operations until they can get their arms around their work.

Despite prodigious efforts, there are still unpardonable delays in both NRA and AAA. Industries can't get organized because they can't get decisions from the Government on policy to be pursued.

Some of the codes which have been put into operation are causing satisfaction, and this is a clue to the future.

There's been much price fixing in many lines, sanctioned



by NRA, and even encouraged under AAA. I think most of these price-fixing practices will break down, mainly because competitors like to compete too well to let little matters like code agreements stand in their way.

I don't think either NRA or AAA will ever get rigid enough to prevent competition. Even the cut-throat variety has not yet been abolished. The power to license individual business units under codes is to be abandoned by NRA, but not by AAA.

Averell Harriman, as first assistant under Johnson, is doing a good job of reorganizing NRA. Chester Davis in AAA is doing as well as might be expected in clearing up the mess left by the warfare of Tugwell and Peek. Davis will discover before long that his troubles are with groups which look with fright upon Tugwell and Frank.

An NRA problem is this: Too many codes approved, too few good men to serve as government representatives on code authorities. It seems possible that shortly NRA must focus its attention on a few codes and a few industries.

The tendency is definitely toward more self-regulation of industries by the code authorities, with a general sort of government supervision. One reason for this is the demonstrated inadequacy of the government mechanism.

I think from now on the NRA program will be less pretentious but more constructive.

Suppression of news is being practiced more and more by both NRA and AAA. It is the standard bureaucratic defense against criticism. It grows out of the assumption by officials that officials know best what the public may be told about public affairs.

It seems to some of us on the outside that one trouble with both NRA and AAA is that the business elements haven't understood clearly what they were all about, and that the remedy for this is more publicity, not less publicity. Also that publicity which is controlled or "canned" by the government agency itself is to be distrusted.

## Labor

THERE seems no way of avoiding many strikes in the next few months.

The new government labor policy is to create separate industrial relations boards for each industry. This is frankly experimental, and is a substitute for the more rigid, more centralized plan of the Wagner Bill.

Any kind of unions are permitted—company unions, A. F. of L. unions or "independents." Employers must keep their hands off their own company unions, must not dictate or domineer.

Employers must bargain collectively with their unions on the basis of their actual proportional representation, this to be determined by the boards for the industry.

Many labor leaders, when they talk privately, admit that the craft union must ultimately be abandoned in favor of the vertical or industry union, including all workers, irrespective of class of occupation. The principal deterrent at present is that too many labor leaders think they have vested interests in their craft union jobs.

## Other Things

*Health.* The President's health is satisfactory. Some other officials are worn to a frazzle. Washington these days is no health center. It burns the midnight bulbs.

*War.* There's still a strong undercurrent of anxiety. It centers in Japanese ambitions, French internal instability, and Nazi aggressiveness.

*Foreign trade.* No one expects much from the reciprocal tariff bargaining bill, or from the export-import banks. No one looks for any material increase in our foreign trade for a year or two or three.

*Air mail.* There's no avoidance of the conclusion that the policy has been just a plain major blunder. It has done more than any other one thing to shock public confidence.

## Business Outlook

BUSINESS sentiment, feeling, confidence began to weaken early in March, and at present there appears to be more anxiety and uncertainty than at any time since last fall. Recent Washington developments have been none too reassuring, but I think Washington developments of the immediate future will contain a mite of assurance. (I have in mind the pause, the consolidation of position, the gestures toward a conservative attitude.)

Actual business in April seems to be good, on the average, due mainly to the cumulative momentum of government spendings. The public works program has been retarded, and this means a prolongation of spending from this basket. Some substitute for Civil Works will develop in May; emergency work, emergency jobs, must and will be made. Private business probably will not take up the slack.

More than seasonal decline in May is looked for by most Washington analysts, and by the officials themselves. A continuation of the decline through June, July and August also seems to be expected.

There's much difference of opinion on just how serious the decline will be. The average Washington view is that it will not be a "crash," that it will be "moderate." Thus the news is not good, but it is less bad than the gossip which has been circulating in financial circles.

Stock exchange regulation, accompanied by beneficial revision of the Securities Act, probably will about balance each other. There should be an increase in new securities before long.

Commodity prices are expected to rise slowly as the year progresses, but without any spectacular movement.

Home building, under the new government plan for sharing the risk and standing behind private mortgage lending institutions (not yet publicly announced), probably will get an impetus in the late spring, summer and fall, but it looks as if there would be no big boom in house building.

Many capital goods industries should benefit from the Government's projected policies which will take shape in May. It is now admitted by the authorities that the Government put too much emphasis on consumer goods industries and too little emphasis on capital goods, and that capital goods must now be stimulated to make employment.

The theory of a majority of Washington students of business conditions is that business is headed for a cyclical improvement which can be retarded, but which cannot be stopped, by political influences. Even the political men are swinging to the view that political reforms, government controls, are retarding recovery, slowing it down. They justify their course on the claim that permanent improvement requires the reforms, and that now is the time when reforms can be effected.

The last half of the year: A few hardy prognosticators are venturing private opinions that the last half of the year will show slightly upward movement in volume of business. My feeling is that the political situation will be better in the last half of the year, but I don't go so far as to translate this into definite terms of the business course.

Inflation: No significant new currency inflation or silver inflation is indicated. But inflation of credit—bank credit, government credit—is the thing to be watched. You should always keep in mind that the stage has been set for credit inflation, and that eventually it will get into operation, perhaps next fall, perhaps next year.

Considerable new business worries in the next few months, but no major catastrophe.

Yours very truly,

*Wm. L. Hughes*

April 9, 1934



# Our Permanent Home Bank System

By JOHN H. FAHEY Chairman, Federal Home Loan Bank Board

★ THE worst difficulties that beset borrowers and lenders on sound mortgages in the past trace back to the hazardous type of home loan that has been commonly employed in the United States. This is the short-term, straight loan, maturing in full in one to five years. There is no practical way for the borrower to pay off the principal in so short a time.

The recent tidal wave of defaults on loans of that character emphasizes that such a dangerous method of financing home ownership must give way to something safer and more practical. An improved form is the long-term, amortized loan, the superiority of which has been demonstrated in American building and loan experience since 1831, and in the even longer history of British and Continental mortgage banking. The borrower on such a loan is automatically protected against the risk of having to pay off or renew the principal under difficult circumstances.

The lender is safeguarded because his protection increases from month to month with each amortization payment, from the time he makes the loan until maturity.

The home mortgage loan which is amortized by monthly payments over a term of not less than five or more than 20 years, is the very essence of each of the three important federal measures which have been enacted in the past two years in the field of home finance. It is the lever by which the Home Owners' Loan Corporation is able to take over short-term straight mortgages which are in difficulty and refund them by new amortized loans to be repaid over a 15 year period. It is the only method by which the Federal Savings and Loan Associations advance loans to home owners. It is the type of loan upon which the Federal Home Loan Bank system is empowered to advance a higher ratio of loans against the underlying property values than upon any other class of mortgage.

The task which America confronted early in 1933 in its home financing dif-



THE Federal Government is permanently in the home mortgage business, Mr. Fahey makes plain in this article directed to business men who, he believes, do not understand what the new venture means. He describes recent changes

difficulties was such that an immediate relief measure had to be undertaken on a vast scale before any changes of a permanent nature could be adopted in rebuilding American home credits on a firm foundation. This urgently needed emergency step is now well under way in the work of the Home Owners' Loan Corporation. [See NATION'S BUSINESS for August, 1933]

## Stabilizing real estate

I SHALL not deal here with the development or the operating policies of the Home Owners' Loan Corporation and its success in helping to stabilize the home real estate market. The daily press gives current information on the work being done in each state to enable home owners who are in genuine difficulty to exchange their present loans for the long-term amortized Corporation loans, and to permit their mortgagees to ex-

change such home mortgages for the 18-year, four per cent bonds of the Corporation, guaranteed by the United States Government. More than 150,000 home owners have already received relief by such exchanges, and more than 500,000 others have been saved from risk of foreclosure.

However, two other federal measures in the home finance field are more directly to the concern of American business executives. These two agencies are the Federal Home Loan Bank system and the Federal Savings and Loan Associations. Neither is an emergency step. Each of them seems likely to have a profound influence in amplifying and strengthening American home loan credits, to the advantage of every other branch of economic activity. These two permanent undertakings, I might add, are but little known or understood by the very business men and civic leaders who have most to gain by their full development. They have been obscured by the temporary, stabilizing operations under way since last spring, in which the Home Owners' Loan Corporation is taking a conspicuous part.

The Federal Home Loan Bank system was established by Act of Congress in July, 1932. It operates through the Federal Home Loan Bank Board in Washington and the 12 regional banks located at strategic points from Boston to Los Angeles. It is intended to serve as a credit reservoir in the home mortgage field, such as the Federal Reserve has been in financing commercial credits. Like the Federal Reserve, it deals only with member institutions and never with individual lenders or borrowers.

Members of the Home Loan Bank system are building and loan associations, savings banks, insurance companies and other thrift- and home-financing associations. Nine of the 11 directors of each regional Home Loan Bank are executives of such member institutions, and are elected by fellow members of the regional Home Loan Bank. The other two directors in each

(Continued on page 86)



# The Railroads Hold the Pace

*New weapons for the fight on falling revenues*



Howeson's Austro-Daimler rail car, being demonstrated in this country, will carry 40 passengers. Its two gasoline motors give a speed of 80 miles an hour

★ THE WAG who observed that railroad passengers were so few that a fellow in search of a friendly card game in a club car had to play solitaire was reading a sign of these depression times. Passenger earnings last year were the smallest since 1900. Freight traffic and revenue picked up slightly, but gross earnings were the lowest since 1915. Operating expenses were pared to the bone, with maintenance cut to about \$920,000,000, the bottom allowance since 1912, and more than a billion, or 51 per cent, under the average for the five years from 1925 to 1929.

To draw the declining fortunes of the steam carriers in more detail, only 24 miles of new line were added in 1933, and 1,876 were abandoned. When that figure is added to 1932's discard, the aggregate abandoned mileage exceeds by 3,000 miles the new mileage built. At the beginning of the year, the country was getting along with the fewest miles of railroad since 1911.

What the income astringency signified to managements, directorates, investors and employees has been symbolized in red ink and receiverships. What it means to the industries providing equipment and supplies for the railways is

TO MOST of us a railroad train is merely a railroad train but to the roads themselves and their suppliers, a train is a unit of service that is constantly being improved. Here are some recent improvements

starkly revealed in the fact that, last year, the operating companies ordered only 42 locomotives, six passenger cars, and 1,685 freight cars. Measuring these requirements against the averages for the period 1925-1929, locomotive orders dropped 97 per cent; passenger cars, 99.7 per cent, and freight cars, 98 per cent.

Putting it another way, sales of railroad equipment and supplies averaged about \$1,710,000,000 annually in the good years. If fuel is counted out, the average comes down to \$1,281,000,000. For 1933, the comparable total was \$282,000,000, a slump of 78 per cent which is felt by 3,000 concerns scattered

among 650 communities. These firms supply everything from wheels to whistles and, in prosperous days, employed about a million workers.

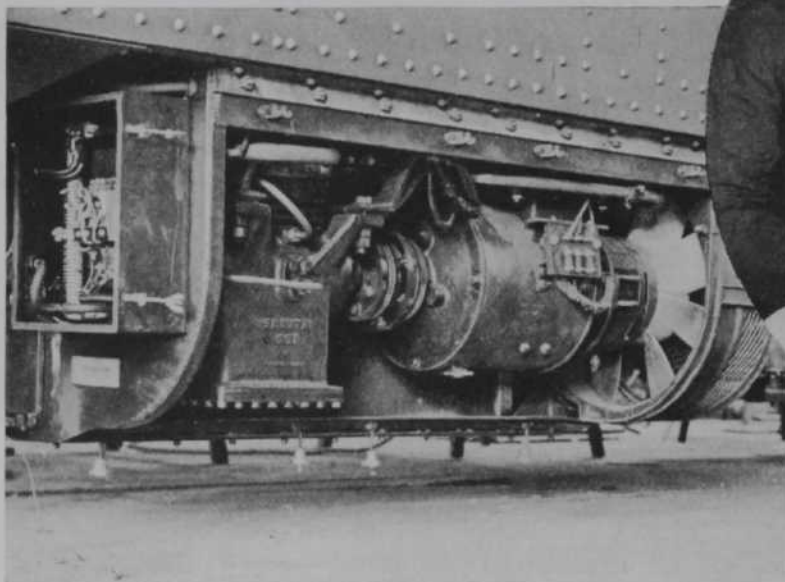
How much of the decrease in traffic is traceable to the depression and how much to competition of other public carriers and the use of individual transportation are debatable questions, of course. The expectancy of a rise in revenues with the improvement of business is invited as much by reason as by hope. As for the toll taken by air and highway transportation, the recourse of the railroads is defined in terms of their own promotional powers and their resourcefulness in keeping their services before what was once known as the traveling and shipping public.

What the railroads are doing in their own behalf and how the related industries are keeping alert to the rising demand for new standards of speed, comfort, and safety is a story of industrial fortitude in the best American tradition. This steadfastness proceeds from the feeling that possession of private rights of way reaching to the center of virtually every community is an invaluable asset in any campaign to win back the patronage lost to buses, trucks and

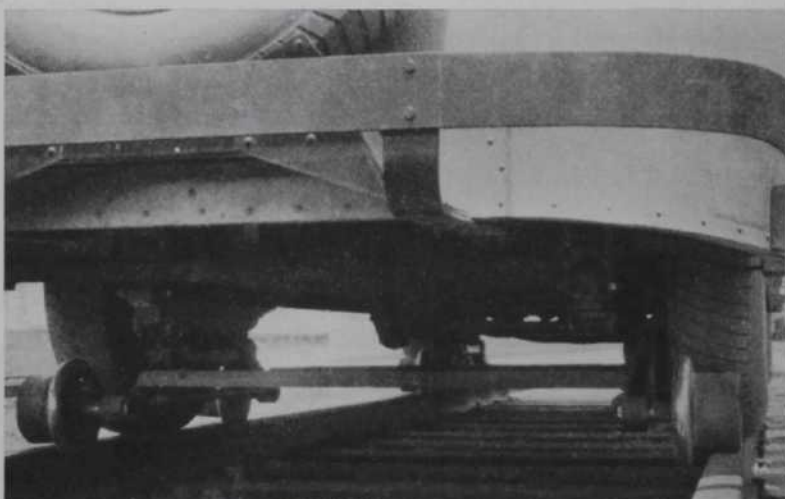




This Budd-Westinghouse stream-lined train was built for the Texas and Pacific Railway. Of all-steel construction, it weighs about as much as the ordinary sleeper. Rubber tired wheels make it silent and gasoline engines give it a speed of 78 miles an hour



Year-round comfort through air conditioning of coaches plays a prominent part in the railroads' modernization programs. The particular cooling unit shown here is by Westinghouse



The rail car is quickly transformed into a bus by the use of this arrangement employed by Twin Coach. When the small flanged wheels are raised the car may leave the tracks and operate as a bus

Salvation of the branch road is the goal of this model which may be economically operated on lines where passenger traffic, though light, wants speed



Airgard, made by American Air Filter Co., lets each passenger in this N. Y., N. H. & Hartford car regulate his own air supply



Designed for suburban or branch line travel, this Fairbanks-Morse car can also be used with a trailer when conditions require greater carrying capacity

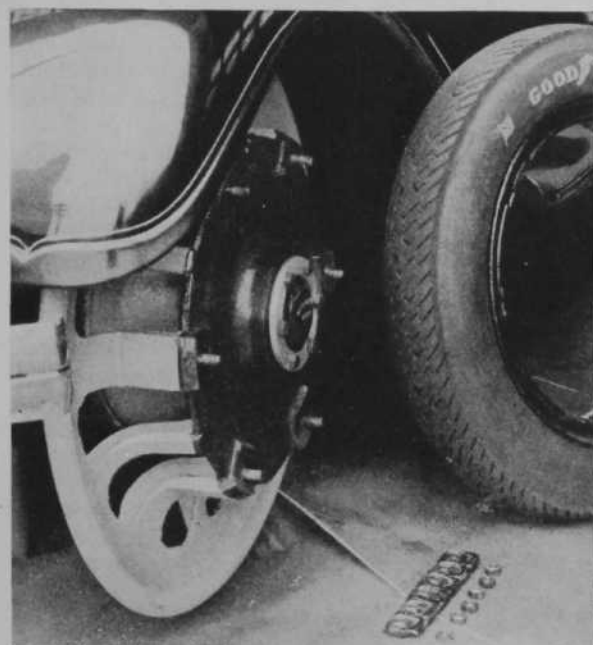




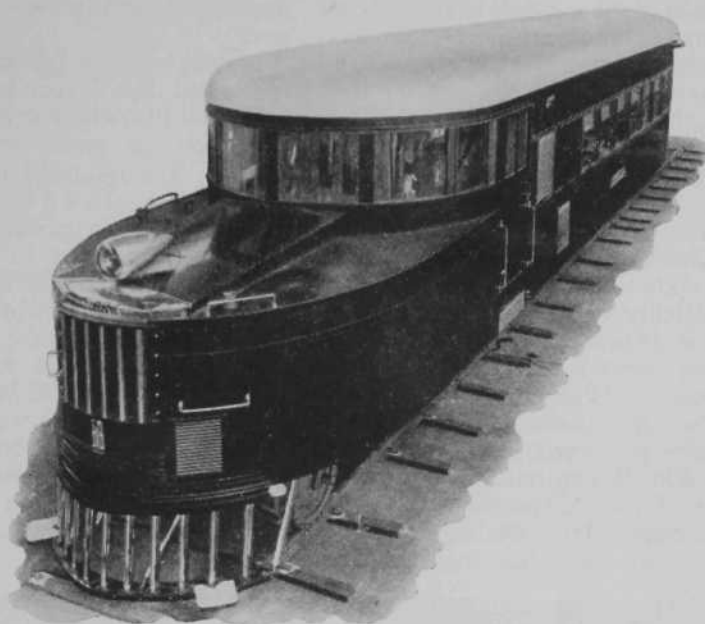
Lunch counter service is a feature of the reclining cars which have replaced the familiar style day coach on many of the B. & O. trains



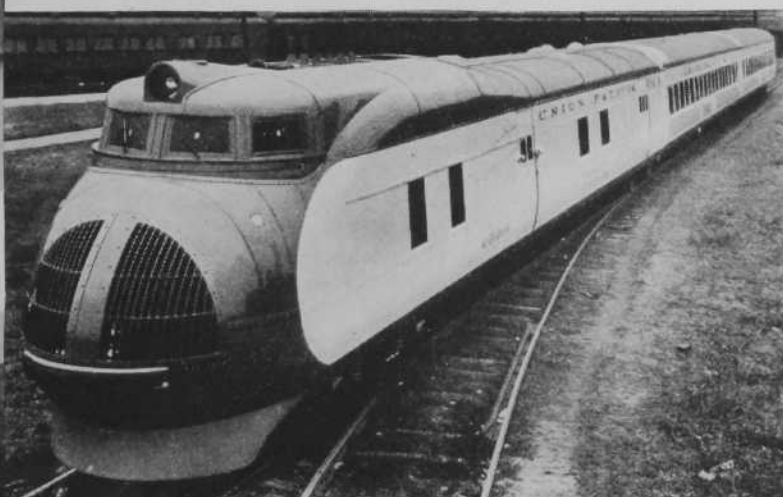
Greater comforts for passengers and lighter weight are dual achievements of the double-decker suburban car. The body and underframe are constructed entirely of strong aluminum alloys



Goodyear offers this pneumatic tire for railroad use. A metal guard inside the tire prevents serious results from flats. The flange is on the wheel itself



The single unit model of the Autotram, built by the Clark Equipment Company will carry 42 passengers. Forced ventilation insures comfort while rubber mountings by Goodrich damp out operation noises



The Pullman Car & Manufacturing Co., Aluminum Co., General Motors and Stout Aeronautical Co., all had a hand in building this Union Pacific train

Freight is not overlooked in the modernization program as this small capacity refrigerator car built by the North American Car Corporation shows



planes. It takes no transportation expert to discover that the business of railroading is undergoing a broad revision. This modification reflects changes in American ways of living. Where space is at a premium, as it is in most urban dwellings and apartments, hand-to-mouth buying becomes a ruling habit. Merchants stock smaller quantities of goods, and then insist on faster delivery to keep their customers supplied. Freight train speeds have advanced 50 per cent in the past 14 years, and lighter cars have come into service, the four-wheel, ten-ton refrigerator car built for the Hormel Company indicating a trend of transportation thought.

Much of the romance of the rails has centered in the fascinating performances of motive power. Workaday considerations, not so glamorous, provide their own emphasis of importance. Where traffic congestion results from high densities of population, electrification becomes inviting by its own plausibility. Conversion costs, plus the items of new equipment, present sizable deterrents to the authorization of large projects. Availability of compact internal combustion engines has disclosed new operating vistas in yard and short-haul service.

When it gets down to lugging long distance passengers in mass and bulk freight in 100-car trains, the steam locomotive is still advancing as a flexible and economical servant. Not only in operating efficiency but in engineering

aesthetics, the familiar iron horse is going modern with all that the idea implies in freshness of design and enhancement of utility. What Otto Kuhler did for the American Locomotive Company made first page news throughout the nation.

### Stream-lined steam locomotives

THE new engine is the result of a year's study and planning. It is offered in two types—fully streamlined and partly streamlined. The latter type was produced in an effort to provide a stream-lined engine that, at the same time, would resemble closely the standard form and therefore be more easily maintained with present shop equipment.

In each type, the familiar cowcatcher is retained, but in rounded form, with horizontal ribs, which serve also as steps by which the upper works may be reached. The headlight is streamlined and the smoke stack is concealed. Cowling hides the air pumps and other auxiliary machinery, but in the modified type of locomotive, the driving wheels and running gear remain exposed.

Sandbox, steam dome, bell, whistle and safety valve are sunk into the jacket of the boiler, and Mr. Kuhler has suggested that the upper half of the engine be enameled in bright colors or carry the name of the train in electric lights. In the rear-end of the tender is machinery for lighting and air-conditioning the cars.

The contribution of the metallurgist and the technician to the improvement of locomotive design in general has been publicly acknowledged by W. C. Dickerman, the company's president.

New metals, or the old in new and improved combinations, have given considerably more latitude in designs and permitted greater power than would otherwise be possible within weight limits. The art of casting steel has progressed to such an extent as to permit the major part of the locomotive chassis to be built virtually in one piece, with a great saving in maintenance cost. Improved valves and valve gears promise greater efficiency and economy. Fuel-saving devices have helped to reduce coal and water consumption. Welding is winning a large place in engineering calculations.

The design of many details has been improved. The subsidiary companies of the United States Steel Corporation are now introducing a range of steels which are expected to make a substantial contribution to progress in the railroad industry.

Apart from the increasing accent on mechanical excellence, the railroads are using color to lift the locomotive from its workaday obscurity. Some of the mighty power units have emerged from the prosaic property account as the bearers of famous names. Identifying No. 1403, type 4-8-0, as the "L. F. Loree" helps to keep railroading in the public eye as a business of men rather than machines.

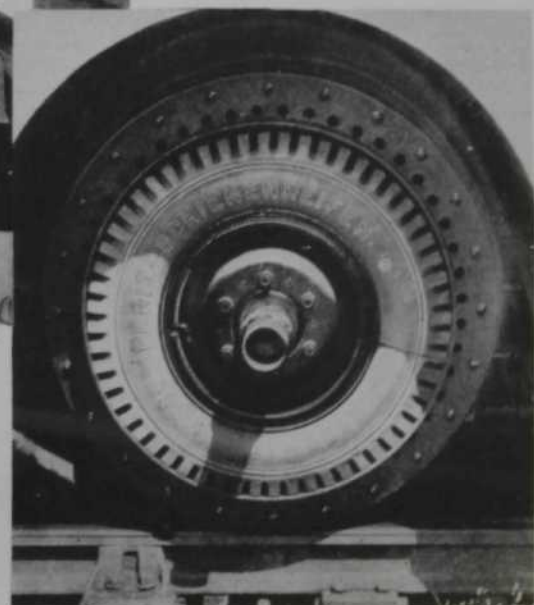
It may be that nobody remembers the names of Pullman cars longer than the duration of a journey, but intensive publicity campaigns have fixed the names of crack trains in millions of minds. Moreover, there is an immediate association with the operating road.

(Continued on page 60)



Air conditioning makes possible the beauty of this C. & O. diner. On the ivory walls are prints by Currier & Ives.

E. K. Howe & Sons, Inc., have introduced this form of railroad wheel. Pneumatic casings roll inside steel tires.







*Published at Washington by the Chamber of Commerce of the United States*

## Charting the Course of Business...

### Help, not burden, recovery . . .

★ THE greatest danger to business recovery at this time lies in the legislative restrictions, existing or threatened.

The Securities Act as it now stands on the statute books checks the normal flow of money into construction and the production of capital goods.

*Business asks that it be amended.*

The Stock Exchange Regulation Act would still further impede recovery since it not merely regulates exchanges on which securities are bought and sold but forces all companies to submit to the unreasonable exaction of the bill to the point at which the Federal Trade Commission might dictate who could and could not be an officer and director.

*Business asks that that bill not be passed in its present form.*

Dangerous to the progress of business toward recovery is the Wagner bill which, as originally presented, would kill the company union and head off the freedom of organization which labor is guaranteed by the Recovery Act.

*Business asks that that bill be modified or put one side.*

Another bill bearing Senator Wagner's name uses the federal taxing power to force employers to call upon the several states to pass "unemployment insurance" measures. Unemployment reserves are being studied and considered by business. The method proposed is bad.

*Business asks that the Wagner "Unemployment Insurance" bill be not passed.*

The Connery bill imposing upon industry a compulsory 30-hour week would lay an intolerable burden upon business. In fighting its way upward, industry has gone to great lengths to raise wages and to shorten working hours. It should not be strait-jacketed into a fixed number of hours.

*Business asks that the 30-Hour-Week bill be not passed.*

The tariff bill which permits the President to raise or lower tariffs within his discretion is bad because it does not give the affected industry a chance to be heard and might work great harm.

*Business asks that the tariff bill should not be passed unless it is so amended that hearings should be given before tariffs are raised or lowered.*

The revenue bill, while having many good features, needs further consideration. The capital gains and losses provisions operate unfairly since, as at present drafted, the Government always wins when there are gains, while the taxpayer must shoulder his losses with no compensation.

*Business asks that the revenue bill be altered to lessen its restrictive effects.*

A great danger to the country at the moment is the im-

peding of business recovery, a strait-jacketing of industry which would limit its opportunities to raise money for betterments to deal freely with its workers. Business has subscribed loyally to codes, has put aside dividends in favor of wages. Now it asks freedom.

### Securities Act as a dam . . .

★ "THE proof of the pudding is the eating," and the proof of the evil effect of the Securities Act in damming the flow of money into industry lies in the figures of registration of new securities since the measure went into effect.

In the first seven months of 1933 before the Act was effective there were issued \$314,000,000 of corporate securities; in the five succeeding months when the Act was in effect there were issued but \$67,000,000.

The United States Chamber's Committee on the Regulation of Securities submits the figures which are summarized above and adds:

"The statistics . . . indicate an almost complete stoppage of corporate financing during the last five months of 1933 as compared even with the relatively small volume of issues offered during the first seven months which included the period of uncertainty prior to and during the banking moratoria in February and March."

Contrast, too, the corporate issues of earlier years and see what the demand for new and refunding issues was. It is not necessary to cite the overflowing and perhaps unhealthy activities of 1927, '28 and '29. Take the five-year period, 1919 to 1923 inclusive, and we find the average flotation of corporate issues was \$2,880,000,000 a year. That was about \$240,000,000 a month as against \$13,000,000 a month in the closing days of 1933.

### Responsibility plus liability . . .

★ WHAT is there in this new Securities Act that makes the investment of money so difficult? Two things: first, the liabilities placed upon officers, directors, underwriters and experts, who are employed to sell the securities—in other words to borrow the money from you and me—are so great and so unfair that they hesitate to take the risk; second, the information required for the registration statements is, in the case of long established corporations, very difficult, very expensive and sometimes impossible to assemble.

Put the situation in its simplest terms: Here's a company of good repute which has for years made shovels. It has an idea for a new type of hoe and wishes to raise \$100,000 to



build a factory to make a new type of hoe. It registers that issue but if its registration statement "omitted to state a material fact . . . necessary to make the statements therein not misleading" anybody buying the stock may sue the issuer, its principal officers, its directors, every participating underwriter and expert who helped prepare the statement. A problem for the director of the shovel company if the newly designed hoe isn't profitable, and the buyers of new stock think something was omitted from the registration statement.

## Hasty lawmaking . . .

★ IN THE rush of New Deal legislation, it has been difficult to distinguish between that which was temporarily designed to check the decline and spur recovery and that which was planned as a permanent part of our American economic scheme.

Speed in passing emergency measures was needed. There was no disposition on the part of Congress or the public to ask for long discussion. Time was a major factor.

With such permanent legislation as the Securities Act the case was different. It was not only the investment banker who was concerned; it was the business which must ask new capital if it would grow and expand; it was the whole investing public, which wanted fair play but which was hurt if the opportunities to invest its savings were denied.

The Securities Act was asked for on March 29 by the President. On the same day a measure known as the Huston Thompson draft was introduced and rejected. Then the House Committee put in a bill. Felix Frankfurter, James M. Landis, and Benjamin N. Cohen were among its authors. This bill was introduced May 3, reported out on May 4 and passed on May 5, with only about four hours' debate.

The Senate got its bill from Committee on April 27 and passed it on May 8. Debate was about three hours. A conference report was agreed on May 22 and the measure passed the House that day and the Senate the next day.

There were no public hearings on the bill as finally enacted and little opportunity was given either in committee or on the floor for discussion of its provisions.

The bill should be amended but only after full and free discussion.

## Perhaps the public won . . .

★ FOR some days after the strike in the automobile industry was averted, a common question was:

"Who won the strike?"

One man would tell you that the employer won, since he was obliged to do no more than obey existing law and was for the time at least freed of fear of domination by the American Federation of Labor.

Another was sure the Federation won since it escaped a strike of uncertain popularity and obtained a reiteration from the Administration of the workers' right to organize in any way he chose without discrimination on the part of the employer.

Perhaps the true answer is that the real victor was the public and that neither side won. Any tying up of the automotive industry at a time when production was going ahead in lively shape and customers were showing their eagerness to buy new cars would have been a national disaster.

But at best it was only a preliminary skirmish in the fight which Union Labor is determined to wage to bring all workers under one banner. The Wagner bill which has been described as a bill to force all labor into the American Federation furnished another battleground.

It looks at this writing (April 10) as if the Wagner Bill would be beaten or would pass only in a greatly altered form. President Harriman of the United States Chamber, in protesting against the bill, listed a number of objections. Outstanding is this:

"The bill would tend to separate, rather than to bring together, the employer and the employee, and would enlarge, rather than diminish, the possibilities of labor friction."

## Complicating labor relations . . .

★ THE labor union, in the sense of a group of men employed in the same craft, is threatened by modern mechanization, by the growth of great corporations performing many functions. An old-fashioned wagon factory might employ specialists who were wheelwrights, body finishers, painters and strippers, and who knew no other trade than their own. A union card might well have been a certificate of efficiency, a diploma that showed the passing of an apprenticeship. The modern factory does practically all its labor by a superintended machine. The man on one job this week may be in another next. All this has tended to imperil the old-fashioned craft union and also to stimulate the growth of the company union which brought together all the men in one plant.

Discussing the Wagner bill the other day, Arthur Young, vice president of the United States Steel Corporation, listed 38 unions affiliated with the Federation of Labor in which employees of the Corporation might seek membership. The list began with "Blacksmiths, Drop Forgers and Helpers" and ended with "Telegraphers."

Small wonder a great Corporation hesitates at being driven to deal with such a multiplicity of organization and fears the problems involved in deciding whether a member of the Carpenters and Joiners or of the Sheet Metal workers should do a given job.

## The next big job of business . . .

★ EVERY member of the House of Representatives and one out of three members of the Senate comes up for reelection this fall. Primaries for the selection of candidates are already under way. The eyes of members of Congress turn from pending legislation to the folk back home. It is a fair guess that the Congress will adjourn by June 1 or soon after. By that time, the Securities Act may have been amended; the Exchange Regulation bill passed or let die; such other pressing matters as the Wagner bill and tax revision will have been dealt with.

The new Congress will meet January 3, 1935. It will have before it the question of the National Industrial Recovery Act, the Administration set up under it, the codes under which business has been living.

The Act itself provides:

"This title shall cease to be in effect and any agencies established hereunder shall cease to exist at the expiration of two years after the date of enactment of this Act." The Act was passed June 13, 1933. On June 13, 1935, it ceases to exist; all codes drawn and approved under its terms have no more legal standing—unless Congress continues the Act.

What does business, vitally affected, want the Congress to do? Would it have the National Recovery Administration continued? Would it go ahead under codes? How would it have the codes enforced? What measure of Government control is needed?

The Annual Meeting of the United States Chamber of Commerce begins in Washington May 1, about the time this issue of NATION'S BUSINESS reaches its readers. Its discussions will center around the theme of "Permanent Basis of Business Recovery."

No part of that permanent basis is more important than the future of NRA. The meeting should produce some lively discussion and perhaps some constructive action.

## Go slow, warn leaders . . .

★ IF ONE were asked to name three outstanding American corporations, he might do worse than to select the Pennsyl-



vania Railroad, the United States Steel Corporation and General Motors. Each of the three had something to say about the National Recovery Administration recently. In each case there was praise tempered with caution—which might be described as the general state of the business mind. The NRA, men feel, has on the whole done a good job, but from now on it must proceed cautiously.

Said Myron Taylor of Steel: "I believe that the great industrial movement which has been carried on through the NRA has been of service to the country." But, asked if a permanent NRA would not be a good thing for the industry, Mr. Taylor replied: "Emphatically no," then qualified by saying "I only say this because our experience has not been sufficiently long with it."

Alfred P. Sloan, Jr., for General Motors, had this to say in his annual report:

If industrial cooperation within any industry is to be permitted, reducing in whole or in part the competitive influence, ultimately affecting the price to the consumer, it is highly essential that the arrangement, whatever form it may take, should be predicated upon the most efficient set of circumstances even if it means, through evolution, the elimination of the less efficient. Otherwise, we put a premium on inefficiency, we spread mediocrity and we raise the price to the consumer, with the result that there is less consumption of the products of industry and hence increased unemployment.

Said Gen. W. W. Atterbury of Pennsylvania:

The original intention of the recovery program was fine, but it has been carried to extremes, especially in the matter of labor relations and in the development of various NRA codes.

And all three said business was better.

## No labor saving here . . .

★ IN New England there's an old time business which thrived in the days before prohibition, was quiescent under the dry regime and has now blossomed into new life—making gin.

In reviving it the management installed the last word in automatic machinery. Its product is distilled and redistilled, bottled and corked and labeled, boxed and made ready for shipment almost without human hands.

Said a visitor to the manufacturer: "You must have laid off a good many men with all this magnificent set-up of automatic machinery."

"No," said the manufacturer. "We didn't lay off anyone. All the men and women displaced by machinery are now busy filling out forms for the Government."

## A new nuisance tax . . .

★ THE states, desperate for revenue, have gone farther and farther in their search for something to tax. Every state taxes the sale of gasoline, half the states tax all sales.

Now a bill has slipped into Congress and through the Senate to permit the states to levy taxes on interstate shipments. Fortunately, the bill attracted some business attention before it got by the House. Hearings are to be held and the industries affected are to have their day in court.

The only specific case alleged in the report which shepherded the bill through the Senate was from Louisiana. It was asserted that tobacco salesmen had solicited business in that state by offering to sell cases of cigarettes to be delivered to the consumer from outside the state and representing that such purchases would not be subject to the state sales tax. Hence the bill which provides that all taxes levied by any state upon sales may be levied upon sales of like property in interstate commerce.

Many kinds of business would be seriously affected, not alone or chiefly by the burden of taxation. The real burden would be in the added cost of doing business because of the expense, labor and delay. Take the problems of the great mail-order houses sending each day thousands of packages

of merchandise into every state in the union. Twenty-six of these states have sales taxes with wide differences in rates, in exemptions, in administrative details. It takes no imagination to see how mail-order merchandising would suffer.

Manufacturers whose method of selling is by house-to-house canvass—Fuller Brush, Real Silk Hosiery are familiar instances—would face a similar problem.

Periodical publishers will be gravely affected by the measure if it should become a law. Their sales of single copies from newsstands are already taxed but their subscription sales going through the mails are not. If this bill passes the House and is signed they could be. The resulting tangle would be terrific.

For four years business has been fighting to keep its head above water. Now it sees some hope of reaching a sure footing. Congress could do nothing more harmful to the general prosperity than to impede progress through such measures as this.

## Localizing code administration . . .

★ THE big problem in most codes has been that of local administration. It is one thing to draw up a national code for an industry; but it is another thing to obtain public understanding of that code in this and in small towns.

It is one thing to set up a National Code Authority for this, that or the other code, with subordinate Authorities by states, regions or districts; but the ultimate test of the code lies in its observance in the metropolitan centers and the smaller towns of Pennsylvania, Kansas and Louisiana.

As was said of the tariff long ago, so it may be asserted that the code is a local issue; and it is at that point that local chambers of commerce should be sharply in the thinking of government officials and officers of Code Authorities.

From the beginning, chambers of commerce have served usefully in connection with the Recovery Program. Many of them have turned over practically their whole time and resources to various phases of NRA. It is not too much to say that the prompt initial acceptance and widespread local understanding of the Recovery Program were due to the action of chambers of commerce.

Now in practically every community there are many Code Authorities, all with essentially the same purposes in view, all operating under the same basic law. Inevitably there is some duplication and much waste of time and money unless there is a centering of local administrative functions.

It will be increasingly important that there be set up impartial clearing houses and possibly centralized administrative agencies for all local code work. Not every chamber of commerce will be able to assume such work. Many, however, have already been serving as the working center of the whole local code situation. In the interest of economy and effective centralized administration the importance of local chambers of commerce as clearing houses and impartial tribunals for code authority problems should not be lost sight of.

## Straws . . .

★ STEEL tonnage contracted for the second quarter of 1934 was up 25 per cent over consumer commitments of the first quarter. *Steel* so reports.

Contracts for private construction in 37 states east of the Rockies were \$53,000,000, which is 52 per cent above March 1933. Authority, F. W. Dodge Corporation.

Exchange of checks in March at 165 clearing houses was \$23.5 billions, highest since July '33. Not comparable with March '33 when banks were closed.

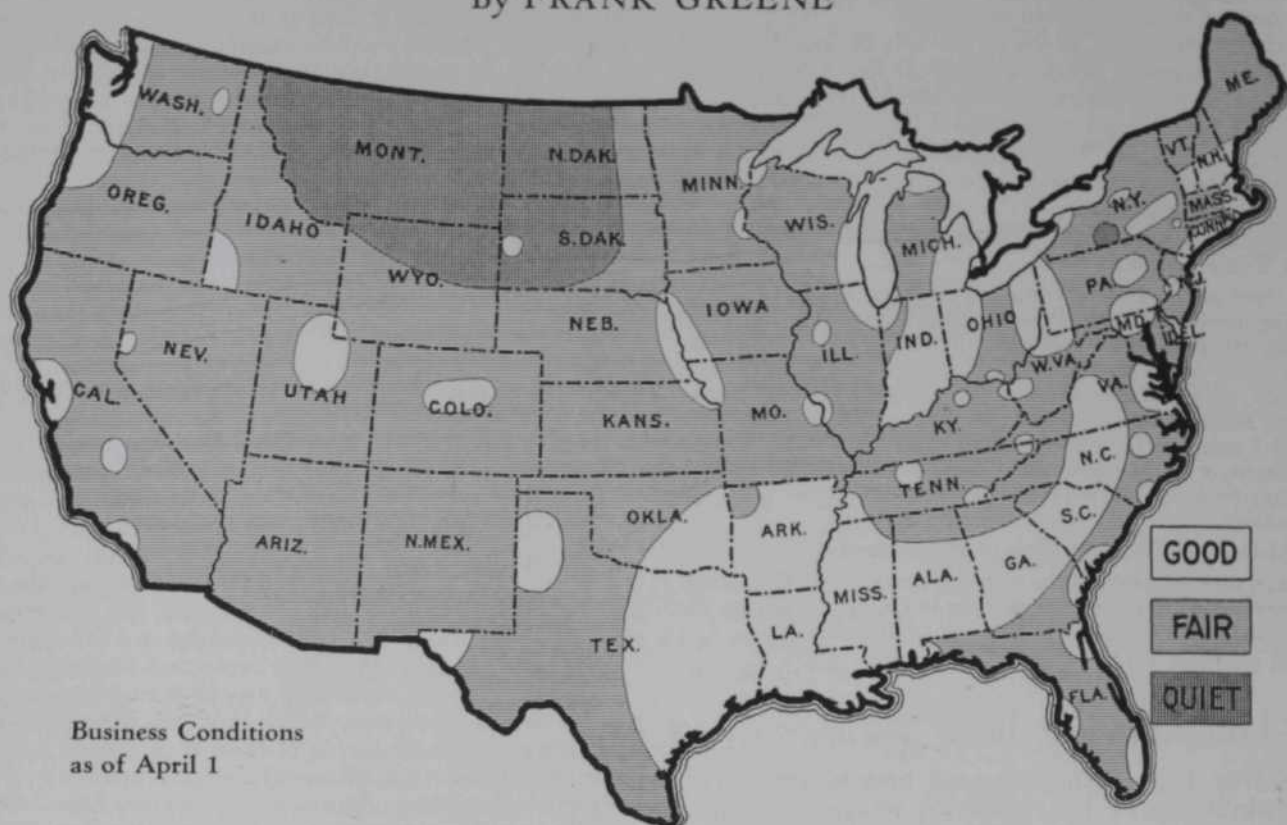
Factory payrolls and employment in February showed greatest monthly advance in 15 years. February's index of industrial production was nearly at the February, 1931, level. The Department of Commerce is the authority.

Straws showing more favorable winds.



# The Map of the Nation's Business

By FRANK GREENE



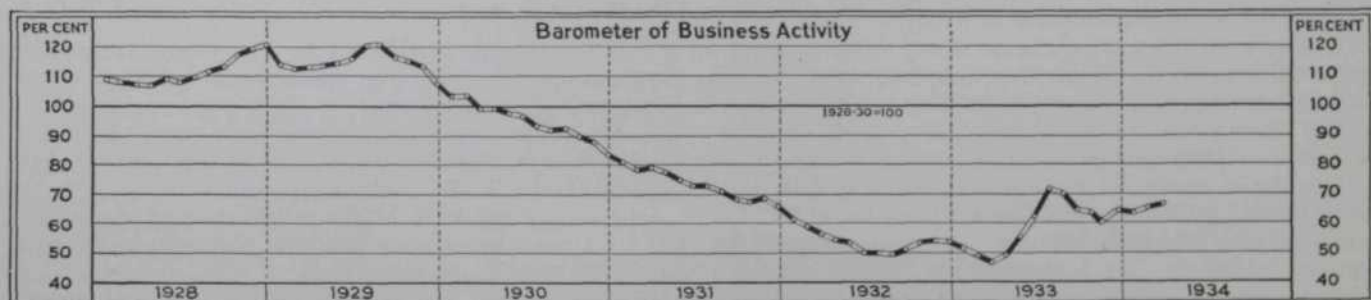
BUOYANCY was pronounced in the first two weeks of March; retrogression appeared in the third; then there was a great surge forward. Talk of a strike in the automobile industry was mainly responsible for the let down. With the strike threat averted and wage advances announced in that trade, in steel manufacturing and in soft coal mining, higher prices for autos and finished steel followed.

The feature of the month was the outburst of retail trade based on the early Easter. The month's operations shone by comparison with a year ago. Such percentages of gain have not been witnessed since the war.

Farm prices were 50 per cent, and farm buying power 25 per cent, ahead of last year. Mail order trade gained 50 to perhaps 75 per cent, over March, 1933. Department store sales in some cities were estimated as 35 per cent above last year and gains of 10 to 30 per cent in chain store sales were predicted.

Stock sales sagged off as did the price averages. Bonds showed a slight gain but dealings were restricted. Early estimates point to a 40 per cent gain in winter wheat over 1933.

Better feeling in live stock markets helps the Great Plains area. Drouth may give spring wheat a poor start in the old Northwest. Wage advances widen some white industrial areas. High tobacco prices are still a spur to trade in the eastern South.



Despite recessions in the steel and commodity price indexes in the first and last weeks of the month, the Dun & Bradstreet Business Activity Barometer (averaged over the month) reached the highest point since August, 1933



# Small Business and the NRA

By RAYMOND WILLOUGHBY



Clarence Darrow (center) heads the board which will hear code complaints and report directly to the President

A SINGLE senator has received 18,000 letters telling the troubles of small business under NRA. The complaints and how they are being met are described here

★ **WHAT** is the future of little business in the United States? How is it making out under the codes? What does it want, and why does it want it?

The answers are as near as the basement tailor shop or the corner grocery, and as various as the millions of individuals whose fortunes are identified with the management of moderate amounts of capital, whether in Metropolis or in Prairie Center.

Public defense of the small enterprise is something of an old congressional custom. Not infrequently the itch to substantiate the rhetorical figure of "monopoly" has moved Congress to call upon

the Federal Trade Commission to investigate specified compartments of the economic structure. The response of the business community to this sort of giant baiting had its crescendos in normal times.

That the lot of the little fellow should be reported harder under legislation designed to bring recovery is an economic paradox dimensioned with an unprecedented tide of protest.

So articulate became the complaint against irksome conditions that the NRA arranged a field day for criticism. Indignation and information were frankly invited from minorities and small operators who felt neglected or oppressed.

The cap sheaf of this official recognition was accomplished through a presidential executive order establishing a national scuff plate where kicks could be registered quite apart from complaint to the NRA.

## A Board for review

DESIGNATED as the National Board of Review, and headed by Clarence Darrow, famed lawyer, this Board will report its findings directly to the White House. Heir to the thousands of letters received by Senators Nye and Borah, chief protagonists in the Congress, the Board has been deluged with a flood of communications magnetized by the announcement of its protective character.

In addition to Mr. Darrow, the membership of the Board, as announced by General Hugh S. Johnson, Recovery Administrator, includes: Samuel C. Henry, former operator of retail drug stores in Philadelphia and director of the Philadelphia Wholesale Drug Company; Fred P. Mann, Sr., retired merchant of Devils Lake, N. D.; W. W. Neal, hosiery mill operator of Marion, N. C.; John F. Sinclair, of New York, lawyer, economist, and former banker; and W. O. Thompson.

Specifically, the duties and functions of the Board are, as given in its own language:

1. To ascertain and report to the President whether any code, or codes, of fair competition approved under the authority of Title I, of the National Industrial Recovery Act, are designed to promote monopolies, or to eliminate or oppress small enterprises, or operate to discriminate against them, or will permit monopolies or monopolistic practices, and, if it finds in the affirmative, to specify in its reports wherein such results follow from the adoption and operation of any such code or codes.

2. To recommend to the President such changes in any approved code, or codes, as, in the opinion of the Board, will rectify or eliminate such results.

The points of view which contributed to the organization of this independent shock absorber show realistic states of mind in the political, economic and social consciousness of our times.

"Do you think the small business man has a future under NRA?" Mr. Darrow



was asked at a press conference just before he took the oath of office.

"For a while," he replied.

"Do you think big business has had a change of heart since NRA began to operate?"

"I can't see any change of heart," he answered. "People don't have changes of heart very often."

The day before the Board's first hearing, he was asked, "Is this going to be a trust busting board?"

"We're not going to do anything we don't have to," he said. "We'll just let the complaints come in."

What the NRA thought about the ferment among the small business men was put into circulation through an address by General Johnson. Speaking to the Chamber of Commerce at Worcester, Mass., late in January, he said:

There has been complaint that small business concerns are (or may be) oppressed by large ones.

Ninety per cent of such complaint comes from establishments who say that they cannot pay decent living wages—that, to survive, they must exploit their workers. This Act must be executed in sympathy and common sense but the very fundamental of its purpose is that a unit that cannot live except by exploitation shall no longer be preserved. Regional differences of living costs—the higher costs in larger cities—exceptional cases of honest hardship—all those are recognized. But the line has been drawn at unjustifiable exploitation and we shall continue to draw it.

The other ten per cent of complaint of oppression comes from the effect of price stabilization and other regulatory practices. These we shall examine with a microscope and stop true exploitation in its tracks.

For this purpose—among other methods—the President has approved a plan, suggested by Senator Nye with an amendment by Senator Norris, to set up a Board to be nominated by such distinguished fighters against monopoly as these and other Senators which shall have summary powers to receive and inquire into any complaints of such an effect of any code. This plan has had from its inception the instant and complete support of this Administration. We are also setting up a division under Mr. Whiteside and Colonel Montgomery to try to relieve the intolerable credit facilities now available to the little fellow.

Shortly after this public interpretation of official policy, Colonel Montgomery, of the accounting firm of Ross Brothers, Lybrand & Montgomery, withdrew from the scene, and Leon Henderson was brought from the Russell Sage Foundation. A. D. Whiteside, head of the mercantile agency of Dun & Bradstreet, Inc., resigned a short time later.

Long a foe of monopoly, Senator

Borah (Idaho) has consistently inveighed against any weakening of the antitrust laws. An index to his state of mind can be found in this characteristic appraisal.

Any scheme which does not protect the individual citizen from unjust charges and prices, which fails to insure to him economic justice, and which fails to give small and independent business a fair chance in the struggle for existence is a libel upon government, a travesty upon justice, and a brutal, indefensible system, regardless of whether you call it new freedom, old freedom, rugged individualism, or planned industrialism. . . .

Senator Nye's (North Dakota) entry into the troubled conflict of Lilliput against Brobdingnag began with an interest in the representations of small-scale makers of incandescent lamps, and eventually expanded into representation of all embattled independents. In November Senator Nye wrote General Johnson that

The independent lamp manufacturers went to NRA gladly submitting to increased operating costs in the belief that this governmental agency would afford them relief from the crushing grip of monopoly and enable them to operate in terms of fair and honest competition—after innumerable delays they are told that the monopoly group will not do anything and that they them-



**Independent lamp makers first called Senator Nye's attention to the ills of small business**

selves cannot do anything to remedy the abuses existing in the industry. Is the National Recovery Administration powerless in such a situation or is it content to permit the monopolies to end the existence of small enterprise?

General Johnson replied with a plan for providing a complaint board within the NRA. This board would be manned with antimonopoly members. Wouldn't Senators Nye and Borah serve? Senator Nye retorted that if the Congress had wanted a committee to represent it, it

would have made its own appointments. There the issue stood for a time. Other Senators took a hand. Before the Congress assembled, the President asked the Federal Trade Commission to see what it could work out in the way of hearing complaints, and moving against offenders who ran afoul of the Sherman and Clayton Acts.

### High cost of living reappears

ALONG with the White House sponsorship, an impetus which gave decisive movement to the administrative interest in behalf of small business developed in the price hearings staged by the Consumers Advisory Board. The auditorium of the National Chamber of Commerce became a forum for the ventilation of complaints against the high altitudes achieved by quotations under codes. Defenders had their innings.

Ultimate consumers were in the minority. In the main, the testimony came from representatives of industries, wholesalers, retailers, and purchasing agents of cities and institutions. A good deal was said about arbitrary markups. There were strong words for open price provisions in codes. And basing point systems, adding freight charges according to geography, drew lively fire.

The hearings discharged heat and light. The three-volume record of the testimony put fresh ammunition in the hands of the senatorial shock troops. Fortified with the charges made by witnesses, Senator Nye and Senator Borah touched off a congressional salvo. The reverberations rumbled up and down the country. Letters began to pour in, many communicating only praise, many itemizing disadvantages under the codes.

General Johnson was nettled by all this viewing with alarm. He pointed with pride. NRA had made blunders, of course. It had not tried to conceal them. It recognized cases of honest hardship. It was examining the effects of price fixing, stabilization, and other regulatory practices. True exploitation would be stopped. In the midst of this definition of

attitudes and policies, the Federal Trade Commission announced that it was prepared to hear complaints.

The correspondence of the complainants reveals something of a pattern. In the 18,000 letters received by Senator Nye, hundreds of business activities are represented. As a fair generalization, excluding the fundamental belief that most of the woes of small business are chargeable to bullying by big rivals, the complaints allege injuries through

(Continued on page 80)



Public address systems are used at all NRA meetings so that all who come may hear. General Johnson is shown at the microphone



HARRIS & EWING



UNDERWOOD & UNDERWOOD

Every incoming train pours out a new group of business men with problems to take up with NRA, PWA, CWA, AAA, the RFC or some other government agency. Washington Terminal officials estimate the increased traffic at 50 per cent

## Business Moves to Washington

"What will Congress do about inflation, the Securities Act, taxes?" are questions which draw thousands to the Hill to see for themselves. This group is waiting for seats in a crowded Congressional gallery



UNDERWOOD & UNDERWOOD



UNDERWOOD & UNDERWOOD

Officials, business men and newspaper correspondents crowd the Executive Offices where President Roosevelt keeps his long list of daily appointments. In this waiting room interviews take place which frequently become tomorrow's front page news



HARRIS & EWING

Whether the business man comes to Washington or not, the facts about his business are quite likely documented and catalogued. These NRA workers are sorting replies to a questionnaire. When they finish the piles before them, two unopened mail sacks in the foreground will provide them with others





The Congress of Code Authorities brought the largest single group to Washington. More than 4,200 persons took part. The President addressed the opening session in D. A. R. Continental Hall. So great was the



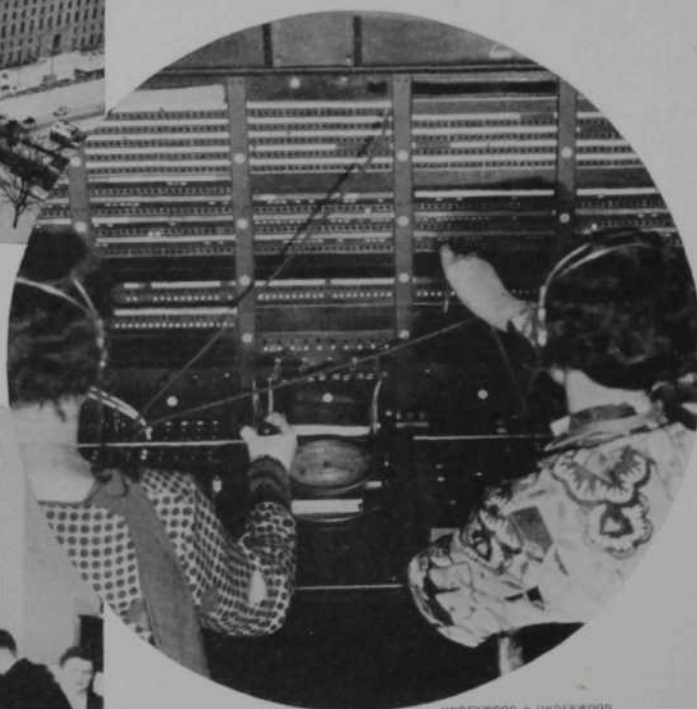
The Commerce Department Building is the home of the NRA. In its auditorium many of the code hearings have been held. To the right is the new Labor Department with the curved front of the Post Office Department just beyond. This photo was taken from Washington Monument

HARRIS & EWING



All the new arrivals in Washington are not transients. Expanded government activity has called many to new jobs. A year ago, for instance, NRA did not exist. Today it employs nearly 2,000 persons. The workers shown here are busy in the mail and file room

UNDERWOOD & UNDERWOOD



UNDERWOOD & UNDERWOOD

Reports to the people back home or requests for further instructions are a usual part of the program of the visiting business man. As a result, hotels have found it necessary to enlarge their long distance switchboards





demand for tickets that two overflow meetings heard the address through loud speakers. Later sessions took the form of group meetings at which business people were invited to criticize NRA



House and Senate offices are filled with informal discussion groups. In this group are experts who assisted in preparing technical angles of the new tax bill

The facilities of the U. S. Chamber of Commerce have been pressed into service both by business men and by the Government. Several industries have held their code meetings in its auditorium. Other groups, as well as individuals, have turned to it for information and advice



The day's work does not end when the business man has presented his testimony and the public hearing is over. After that come the group meetings in offices or hotels where new objections are raised, compromises effected, or whole new programs mapped to meet situations the day has developed





New Government agencies have not been the only reason for journeys to Washington. Congressional hearings and investigations have drawn many to testify or explain. Among them was Richard Whitney, Stock Exchange president, shown testifying before the Senate Banking Committee

UNDERWOOD & UNDERWOOD



The Agriculture Department draws its share of visitors who wish to discuss processing taxes, distribution policies or farm problems. From this building the Agriculture Adjustment Administration guides its program of production control

HARRIS & EWING



Still talking business although the session has ended. Every hotel lobby is the scene of such informal conferences. Estimates are that registrations have increased 50 per cent

UNDERWOOD & UNDERWOOD



The petroleum conference, one of 762 held so far, met in the U. S. Chamber Building. General Johnson sits on the stage. Witnesses stand by the table. Reporters sit at the desk in front of the stage. Others present are members of the industry

SCHUTZ





## And the bigger, huskier, higher powered 1934 Chevrolet truck is the lowest priced Six you can buy



Watch out, when you buy a truck this year, that you don't make the mistake of getting the wrong number of cylinders. With *SIX*, you're "all set" as far as economy is concerned . . . and *dependability*, too . . . and *long life*. But with *more* than six, you're likely to spend much more than you can afford for gas, oil and maintenance. And with *less* than six, you're up against the old problem of excessive vibration and resultant wear and tear. That's why the big majority of truck buyers, again this year, are saying "*SIX* cylinders!" And here's why they're adding, in the same breath, "*Chevrolet!*" In

its 1934 truck Chevrolet has developed the six-cylinder principle to its most efficient, most economical point. Chevrolet gives you this six-cylinder economy in a big, husky, high-powered truck *that's not a made-over passenger car, but is all truck throughout!* And best of all — Chevrolet gives it to you at the *lowest price in the world* at which you can buy a Six! Could you ask for anything better in a hauling unit than that? Especially when it bears the dependable name: *Chevrolet*. And when it carries the added recommendation of being "America's largest-selling truck!"

CHEVROLET MOTOR CO., DETROIT, MICH.

*Compare Chevrolet's low delivered prices and easy G. M. A. C. terms. A General Motors Value*

# CHEVROLET SIX-CYLINDER TRUCKS

*When visiting a CHEVROLET dealer please mention Nation's Business*



# No Business Can Escape Change

★ A new all-metal filter for viscous and non-viscous fluids can be built of practically any metal (to withstand various corrosive conditions), is said to be easily cleaned, applicable to almost any filtration job. . . .

A new automatic separator for compressed air lines is said to remove all dirt, oil, water; to deliver only clean, dry air. It operates only when air is being used, thus minimizing air waste. . . .

An automatic oil reclaimer has been developed especially for operators of small fleets of cars. Capacity is said to be up to 10 gallons a day; output, 80 to 85 per cent of dirty oil. . . .

New in tires: A tire of new tread design said to be both non-skid and noiseless; a tube which can be run flat without being cut to ribbons; another tube incorporating new puncture sealing principles and light enough for use on smallest cars. . . .

A new "break-in" oil is said to combine characteristics which enable it to produce a perfectly run-in motor, to permit higher speeds during breaking-in periods. . . .

Controlled expanding action adjustable to the half-thousandth of an inch is provided in a new device for accurately resizing diameter of piston skirts (to eliminate slip, excessive clearance). . . .

Instantaneous, concentrated heat flows from the nozzle of a new portable electric unit built like a hand gun. It's offered for garage use in thawing radiators, drying plugs, etc. . . .

Steam heat for your automobile is provided through a new heater which requires only three-fourths of an ounce of water to operate, utilizes a boiler unit mounted in the exhaust pipe. . . .

A new dual-purpose radio operates either on household current or automobile battery. It can be placed in front or back seat of the car, disconnects easily for use as a second set in the home. . . .

A frameless bronze fly screen for double-hung windows has been developed. Screws at top and bottom secure it, tension is adjusted by devices at the bottom. . . .

Sniffing dogs are said to shun shrubbery protected by a new compound, odor of which is offensive to canine, unnoticeable to human noses. It's supplied in tube form. . . .

Marksmen are offered a new .22 target cartridge with a sharp shoulder bullet which clips sharp, clean holes in the target. . . .

Duck pins are now being made of hollow cast aluminum. They're fitted with rubber rings on head and body to deaden noise. . . .

A new self-opening die head replaces the usual large chaser with carriers which take small, high-speed insert chasers. Lower costs, reduced set-up time, fewer adjustments are claimed. . . .

THE march of new products to market, unstemmed by depression, is moving at increasing tempo as business improves. A host of new things are making their bow and bid today

Typewriter feeding attachments for use with continuous forms which both insert and remove carbon paper are now offered. They're said to cut carbon-paper costs, speed typing, give accurate registration, allow typewriters to be used as billing machines. . . .

Greater filing speed, space, convenience are claimed in a new filing cabinet. Drawers have swing fronts which drop outward as drawers are opened, give ample space for parting contents. . . .

A new, washable paint for fibrous or felted insulating board is said to require no sizing, to defeat excessive absorption. . . .

Growth of rot-producing bacteria is said to be retarded in a new milk can having a self-venting lid which allows undesirable gases to escape. The lid's offered for use on old cans, also. . . .

A new coupling is said to permit joining of straight, plain pipe without grooving, threading or beveling. High tension strength, effective sealing at pressures up to 4,000 pounds is claimed. . . .

Activated alumina is offered as an industrial adsorbent. Inert, available in large sizes, it is said completely to adsorb moisture from gases, liquids, solids. . . .

Knees are saved by a new clamp which allows any long wooden handle to be attached to an ordinary scrub brush. . . .

A two-speed transmission is built into the pedal assembly of a new bicycle. A small lever shifts gear instantly. . . .

Standard tongue-and-groove wood floors are laid without nails or mastic through a new system which utilizes metal channels laid over the subfloor, metal clips which grip both tongue and groove. . . .

A veneer dryer which dries the entire veneer content of the peeler log in one continuous strip is now available. It is said to reduce wastage, permit production of veneer sheets of any size. . . .

Now come suspenders which do their duty without benefit of buttons. Clasps adjust to the trousers as one's anatomy dictates. . . .

—PAUL HAYWARD

EDITOR'S NOTE—Material for this page is gathered from the many sources to which NATION'S BUSINESS has access and from the flow of business information into our offices in Washington. Further information on any of these items can be had by writing us.



All-year conditioned air is offered by a new coal unit, said to be 94 per cent efficient. Six paper-wrapped "coal sticks" are put in a self-feeding magazine akin to a revolver cylinder, last 24 to 48 hours



# A well-rounded Program of Life Insurance provides future Financial Security



Have a well-rounded Program of Protection. The Metropolitan's contracts afford a means to

- create estates and incomes for families
- pay off mortgages
- educate children
- provide income in the event of retirement
- establish business credits
- stabilize business organizations by indemnifying them against the loss of key-men
- provide group protection for employees covering accident, sickness, old age and death
- provide income on account of disability resulting from personal accident or sickness.

Metropolitan policies on individual lives, in various departments, range from \$1,000 up to \$500,000 or more, and from \$1,000 down to \$100 or less—premiums payable at convenient periods.

The Metropolitan is a mutual organization. Its assets are held for the benefit of its policyholders, and any divisible surplus is returned to its policyholders in the form of dividends.

Metropolitan Life  
Insurance Company,  
1 Madison Avenue, (N)  
New York, N. Y.

Without obligation on my part, I shall be glad to have you give me information concerning an Insurance Program that will fit my needs.

NAME \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
CITY \_\_\_\_\_  
STATE \_\_\_\_\_



It is an encouraging sign that more men, instead of waiting for a Field-Man to call, are sending for him and laying their plans before him. They realize the necessity for having Financial Security Programs that will meet their individual requirements and that cannot be endangered.

Take your own case. How big an income would spell security for you, some time later on? Is there a youngster who may never have the proper kind of education unless you provide ways and means? A mother, a wife or a daughter who should not be left dependent?

For instance, should anything happen to you, your Program could provide money to pay your bills and to give your wife a regular income. It could furnish money to educate your children.

If your home is mortgaged, it could provide money to pay off that obligation. However, if you live the number of years which you can reasonably expect, your Life Insurance Program will give you a fixed income at an age when you may wish to retire and enjoy your leisure.

Your problem may be to provide Financial Security for but one person. Or it may be more complicated. Perhaps it should be designed to provide against several possible contingencies. You can have the advice and counsel of a Metropolitan Field-Man who will listen while you tell him what you would like to do.

The Field-Man's experience fits him to study your situation and to help you plan a Program of Life Insurance. Send for him or mail this coupon.

## METROPOLITAN LIFE INSURANCE COMPANY

FREDERICK H. ECKER, PRESIDENT • • • ONE MADISON AVE., NEW YORK, N. Y.

*When writing to METROPOLITAN LIFE INS. CO. please mention Nation's Business*

© 1934 M. L. I. CO.



# Our Itinerant Reporter Heard—

WHITING WILLIAMS, who recently told his impressions of Europe in this magazine, has just completed an 8,000 mile trip in this country. Travelling by train, bus and auto, he visited ten large centers and as many smaller towns from Maine to California; addressed more than 10,000 persons and attended a half-dozen small luncheon parties which took the form of "multiple interviews."

Travelling he talked to trainmen, salesmen, tourists, farmers, merchants, professors, and bums, supplementing these interviews by careful reading of all local papers, news, comment and editorials

---

HERE'S a quick summing up of recent interviews with editors, business men, political leaders, professors, salesmen, train crews, farmers, lumberjacks, 'boes and bums, in the Middle and Far West—collected on a trip that took in Chicago, Omaha, Kansas City, Salt Lake, Portland, San Francisco, Los Angeles, Denver, and many smaller communities.

If I were to tell my story in headlines it would run something like this:

*"Yes, Business is Better, But—"*

*West's Blue-Shirts Marvel at F. R.*

*"Our Most 'Populous' President is Certainly Tryin'."*

*"But These CWA Laborers Don't Labor!"*

*White-Shirts, Bewildered, Worry, Wonder—*

Here then is a round-up of things I saw and things I heard and some conclusions of my own:

**I • BUSINESS**—especially retail—was everywhere reported better. But by a smaller and more temporary margin than I had expected. Merchants and manufacturers appeared uncertain whether improvement indicated much if any consumer buying beyond CWA wages, farm allotment checks, and such.

"In a CCC camp lately I found lots of boys riding in demonstrator cars—planning to start payments on new or second-hand autos."

Farmer job-pride was reported badly hurt by hog slaughter but this feeling was later, largely—not entirely—assuaged by allotment money. (The home-county politicians were evidently very neighborly in

choosing acres for plowing under—resulting in practically no expectation of genuine crop curtailment.)

**2 • The President personally was everywhere vastly popular among wage-workers, salary-earners, professional men, and merchants.**

"He's certainly tryin'." That feeling was practically universal. "He's sincere."—"Trying to be fair to the average man."—"Wonderful!"—

"In Oklahoma anybody who criticises him is likely to get his head punched!"—

"My neighbor's wife kisses his picture every morning!"

"The most populous President in history," a Pullman porter put in.

"A noted columnist here in Chicago compared him—sarcastically—to Christ. A good joke—'til hundreds wrote him their fervent thanks!"

"I can't understand half of what he's doin'. But Wall Street seems against it—so I'm for it."

"If the bankers will knock him often enough, he'll keep sittin' pretty."

"If I were as popular as he is, I'd be worried about keeping it up!"

**3 • NRA is approved in general, but specifically liked or disliked according to divergent local and individual experience. Passing observations like this show the drift of sentiment:**

"In my small eastern Oregon town, workers are sore at raised hourly rates but lowered weekly earnings and increased cost of living."

"It's helped very little here amongst us Chicago barbers. But I hear it helps barber wages, hours and prices in other towns."

"Eastern Oregon grocers found it impracticable. Nobody bothers now."

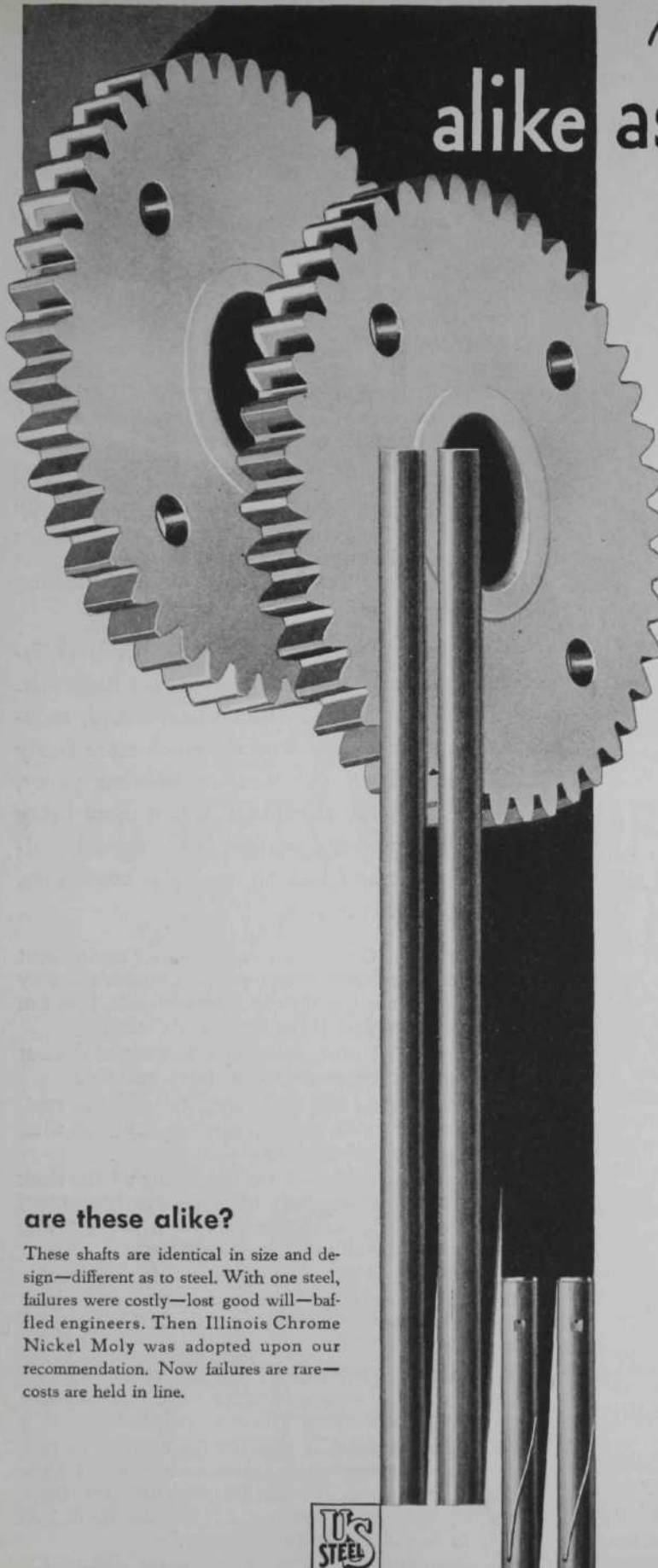
"The code's blanket features," said a member of Salt Lake's Compliance Board, "require so many local adjustments that it gets more complicated every minute."

"Since September we've sent 250 codes from San Francisco to Washington—with no word back whatever! The state tried to fill in with local codes, but lack of funds soon stopped that. Today it's nothing but confusion."

**4 • Local irregularities and neighborhood inefficiencies of CWA and similar projects were making many blue-shirt workers question Washington policies. These workmen's opinions are typical of hundreds I heard in crossing the country:**

"The local CWA heads—mostly politicians—had to be fired because of grafting here in San Francisco."





alike as 2 peas in a pod—  
*but are they?*

One was the despair of the machine shop. "The toughest gear to cut I ever saw" said the superintendent. Tool life was so short that 25% of the machining time was consumed in changing tools. The gears themselves were noisy, wore badly.

The other is the same gear, but made from a different steel—S. A. E. 4615. Machining with this new steel is simple. There's no peeling of the tool. Production is up. And the finish of the gear teeth is now smooth and uniform. Gears operate quietly—last longer. Costs are down.

This is typical of the results of careful study of steels. With every change in design—with every change in service requirements of a part, the steel specifications demand analysis if costs are to be kept down and quality up.

Illinois Steel Company is aiding many manufacturers in their selection of the right steel for the right job. Our metallurgists will be glad to consult with you.

• • •

### are these alike?

These shafts are identical in size and design—different as to steel. With one steel, failures were costly—lost good will—baffled engineers. Then Illinois Chrome Nickel Moly was adopted upon our recommendation. Now failures are rare—costs are held in line.

### or these piston pins?

One caused trouble through frequent failures. The other, produced from a different steel, gave consistently satisfactory results because it took a uniform depth of case and effective resistance to impact.

### there are many more!

Many a trouble is overcome today simply by a change in steel specifications. We'll be glad to help you analyze your own needs.

**Illinois Steel Company**

208 South La Salle Street, Chicago, Illinois

SUBSIDIARY OF UNITED STATES STEEL CORPORATION



**ILLINOIS *alloy* STEELS**



(Heard also in Los Angeles, Chicago and other cities.)

"I'd rather bum my eats and flops than wait day after day for one of them start-stop CWA jobs."

"The way these CWA park laborers take high wages without raisin' a hand—except to warm it by the fire, or mebbe blow their nose!—It's a crime!"

"CWA's high pay has greatly increased desertion from the regular Army here—also from many regular factory and office forces."

"The whole country hereabouts is sore at the way the CCC boys bust into local dances, scare drivers off the road by rough-neck truck driving, and such."

"Safety arrangements and industrial relations features of CWA and CCC projects hereabouts appear either left out entirely or else dangerously skimped."

"This city has 300 registered master painters. But for CWA master-painter jobs, applications came in from 1,200."

5 • I found in the West as I had in the East that few wage-earners are disturbed about our financial policy or the federal debt and taxation problem. It does not touch the worker closely. He rarely asks "Where's the money coming from?" These three statements reflect his attitude:

"All I bother about is to get my (railway) pay check and pay bills. This 59 cent dollar is O.K. by me as long as it buys me a dollar's worth of eats."

"I reckon," said an Arkansas small townier, "the money 'll have to come from them that's got it—the big Wall Streeters."

"I'm afraid," said an exceptional laborer, "that even if the Big Fellows pay it in the first place, it will sooner or later have to come out of all of us. I don't know just how."

6 • As compared with Manhattan, the West generally

- a. Appears less hit by Depression—"It's always late here—but so's the pick-up. Anyway, we're less industrial—and financial."
- b. Worries less about war in Europe but more about war twixt Japan and Russia. Most of all about the way, since Russian recognition, more Russian ships unload lumber at American docks while the Northwest's saw-mills, under NRA, close down or cut hours.
- c. More interested in new Federal Camps for Transients. (Cross-country side-door Pullmans now show few 'bo passengers.)
- d. Suffers greater perplexity and confusion as to how to control liquor.
- e. Exhibits more favor for Hitler's sterilizing the unfit. California's total to date, 8,500, is more than the total in all the other 26 states which are experimenting with it.
- f. Rejoices over dearer gold and silver, frets over neglected beet sugar.
- g. Is considerably less Socialistic—less scared at "rugged individualism." Professors and other intellectuals desire better distribution of national income but are not sure that higher wages, shorter hours, will end Depression.

They absorb every news tid-bit about "brain-trusters" but question their practicality.

"Reds here in Kansas? Yes, but pretty mild. Their

chief demand of the town's state congressman was, recently: 'You mustn't hire your wife and relatives.'"

With typical pioneering spirit, Western railroads (and Pullman) have, since December, increased business by lowering rates 30-45 per cent.

Eight Oregon chickens lately sold to Japan for \$3,800. That's how one farm-college individualist fights Depression. He sells individual eggs, each numbered and accompanied by a 300-egg-per-year pedigree back six generations!

- h. Reads as much material from Washington as the East, perhaps more.

"Pennsylvania Avenue," say the editors, "is now our City Hall 'beat'." But the West—the far West—listens to fewer radio discussions than the East. Even Father Coughlin is little known. One reason is that time periods of national broadcasts are evidently chosen mainly to suit eastern preference and miss western convenience. Grand Opera at 1:40 on Broadway gets few hearers in Los Angeles at 10:40 A.M. Radio's "instantaneous, nation-wide audience" occurs for few except the President. (Des Moines is making history with its eastern-financed try-out of numerous city-wide forums on national and international issues.)

7 • West's more important business heads registered but little unfriendliness to President Roosevelt. But since the sudden, to them unexplained, stoppage of air mail, they (1) criticize much more freely certain of his plans; (2) wonder whether party, rather than national, advantage is not now being more frankly sought; (3) register wide-spread, serious bewilderment and lack of long-term confidence. Typical sentiments are these:

"As long as the Government starts talking again about big expenditures and bigger credit-demands the very next day after it has floated a lot of bonds, how can Industry make plans for as much as six months?"

"How can CWA or its substitutes be stopped without revolution—or be continued without inflation?"

"How can we raise long-term funds for producing capital or durable goods when no investor can guess what kind of dollars he'll get back?"

"Industry will be blamed for not taking up the slack this spring. But we don't believe we've been given proper chance by governmental pump primers who seem to consider all pump operators crooks."

"Yes, the President himself seems for reasonable profits. But how can anybody be sure that Tugwell won't tomorrow or next day persuade him that all profits are wicked?"

"It wouldn't surprise me if Tugwell were purposely bringing private business to such a state that the country will vote to dispense with it entirely."

"The Administration is splitting the country in two, driving a wedge not simply between Finance and Anti-Finance, but, worse, between Business and Anti-Business. When anybody asks for a reasonable profit he's likely to be called a 'money-changer'."

"I'm willing to work for the Government, provided it will guarantee our Saturday night pay roll."

"The bank collapse, I'm thinking, was caused by a Congress flagrantly unwilling, before election and for political purposes, to play ball; also after election, by

(Continued on page 98)



# TRUCK TIRE COSTS DROP!

**Goodrich Invention  
Saves Waste Caused by  
"Failure Zone" Blow-outs**



THE FAILURE ZONE—where 80% of premature truck tire failures start—costs truck owners millions of dollars.



Goodrich built special tires, half of each with ordinary construction, half with Triple Protection. Every tire was run until it failed. Every tire failed in the half made the ordinary way.

## ROAD TESTS PROVE TRIPLE PROTECTION CHECKS 80% OF PREMATURE FAILURES

The commonest causes of premature truck tire failures have been sidewall breaks. That was the problem that faced truck owners... Until Goodrich startled tire users—and tire men everywhere—with Triple Protection against failures at that point. And Goodrich has *proved* the value of Triple Protection, not only in the laboratory, but on the road. Goodrich proved Triple Protection with tests that could not be faked!

Many tires were built, half of each tire with ordinary construction, half with Triple Protection. Mounted on heavily overloaded trucks, these tires were given the ride of their lives... Day after day over rough, bumpy roads... hundreds of miles... thousands. Then the first blowout! Every tire was run until it failed. Every tire failed in the sidewall. Every tire failed in the half made the ordinary way.

Every break stopped where Triple Protection began.

### Get Triple Protection Free

Now Goodrich offers Triple Protection at the "Failure Zone." This great invention costs you nothing. It is free. A Goodrich Triple Protected Silvertown costs no more than any standard truck tire.

And you do save money with this different kind of tire. You forget unnecessary sidewall failures—avoid delays and accidents. Cut repair bills. Save time.

Read the simple 1-2-3 story of Triple Protection at the left. Ask any Goodrich truck tire dealer to show you this new tire and the convincing demonstration of Triple Protection.



**1 PLYFLEX**—is a new tough, sturdy rubber material. Every Silvertown truck tire has a layer of Plyflex protecting the sidewall. It bears the brunt of the strains caused by the tire flexing several hundred times a minute. It distributes the stresses throughout the carcass. It prevents local weakness.



**2 PLY-LOCK**—The short trouble-causing plies in ordinary tires often tear loose just above the bead. A direct result of stresses concentrating at this one weak point. In Silvertowns, the plies are "locked" about the beads—anchored in place. The tapered ply ends are floated in rubber. This is PLY-LOCK.



**3 FULL-FLOATING CORD**—100% floated-in-rubber cord fabric is used in the new Silvertowns... Each cord is surrounded by rubber. With ordinary cross-woven fabric, when the cords touch each other, they rub—get hot—break. In Silvertowns there are no cross cords. No friction... Fabric wears longer.

**FREE! Safety Manual**—This 48-page book tells how to prevent accidents—save money—build good will for your fleet... How to organize the Silvertown Safety Award Plan—get free awards for your drivers... The book will be sent without obligation to any fleet owner. Write Dept. T-88, The B. F. Goodrich Rubber Company, Akron, Ohio.



# Goodrich Triple Protected Silvertowns

FOR TRUCKS AND BUSES



# The A. F. of L. and the NRA

By PHELPS ADAMS Washington Correspondent, the New York Sun

★ ENCOMPASSED in the philosophy of William Green is an abounding faith in three words and a dream. The words are those emblazoned on the shield of the American Federation of Labor over whose fast-expanding fortunes he presides: *Labor omnia vincit*. The dream is of the day when every worker in every industrial field will carry a union card in the pocket of his overalls.

That dream of regimenting 20,000,000 men under a single standard and welding them in the flame of a common cause into a unified and irresistible force might, to any other man, always have remained a dream, but to Mr. Green it has become a goal toward which he has resolutely set his face.

In the attainment of that goal the men who look to him for leadership must at times with Spartan courage toss their tools aside and leave their jobs in a land where eleven millions of their brothers look hungrily for work. Industries which have struggled against the current of depression for four years may be paralyzed and swept away; the entire recovery program of the President may be threatened with destruction, but the American Federation of Labor thrives and grows with such astonishing rapidity that, if continued at the present rate, the next ten years would see the prophecy of those three words fulfilled and the dream transformed into reality.

Two great forces are driving the Federation toward its goal. One is the benignly determined Mr. Green who four years ago was awarded the gold medal of honor of the Roosevelt Memorial Association for his distinguished service in

promoting industrial peace. The other is the National Industrial Recovery Act.

However much or little the National Industrial Recovery Act may do for industry, for business and for the laborer, let the historians of the future, before they pass judgment upon it, take due note of the fact that it has brought prosperity and power in unprecedented abundance to the American Federation of Labor.



Mr. Green lost no time in proclaiming NIRA a Magna Charta of labor's rights

TWICE in the past year we have presented the views of Mr. William Green describing the policy and program of the A. F. of L. Herewith a third article on the Federation by a competent observer

Nine months ago that organization, like the industries against which it pitted its strength, was struggling to keep its head above water. Its power and its prestige were definitely in a decline, and it seemed doomed, at best, to occupy a position of mediocrity in the industrial order that then prevailed.

## Grew during war

FROM its early, and virtually negligible, beginning at the close of the last century, it had built itself up by 1914 to an organization embracing 2,000,000 members. Then just as it seemed to have attained its full growth, the war intervened and the Government came to its aid.

Those were great days for labor. The demand for men vastly exceeded the supply. Manufacturers, crowding their plants to capacity, were vying with each other to get skilled workers. Men with experience could demand any reasonable price for their services and get it. If they were organized, and could threaten to strike, however, they could get wages far beyond their wildest dreams.

When the United States entered the war the President, seeking to eliminate threatening strikes or lock-outs, established the War

Labor Board to settle all disputes. Under the policies adopted by this Board, labor won legal rights and advantages that it had never before enjoyed. The right of labor to organize and to bargain collectively through representatives of its own choosing was affirmed by the War Labor Board and employers were estopped from abridging or interfering with that right.

Employers, moreover, were warned





STRAIGHT EIGHT POWER *and*  
SMOOTHNESS *for only* \$715\*



The road may be rough to conventional cars, but your Pontiac Eight levels it out to a smooth and easy ride. Knee-Action Wheel springing *absorbs* the jolts and jars . . . gives new *roadability*. Add to *this* comfort the unexcelled *smoothness* of Pontiac's magnificent

Straight Eight engine . . . the *luxury* of finer Fisher bodies with their No Draft ventilation . . . the impressive *bigness* and *beauty* that distinguish Pontiac . . . and you have *everything* that makes for travel *first class*. Yet . . . for all this, the price is a very few dollars more!

\*Illustrated, the Sport Coupe. List price at Pontiac, Michigan, \$765. With bumpers, spare tires, metal tire covers, tire locks, spring covers, fender wells, tire carriers, trunk rack and extra wheel, the list price is \$77.50 additional. List prices of other models at Pontiac, Michigan, \$715 and up. Pontiac is a General Motors Value.

PONTIAC

GET A PONTIAC EIGHT FOR YOUR MONEY!



not to discharge any man for membership in a trade union or for legitimate trade-union activities.

With complete impartiality, however, the law gave corresponding advantages to employers who were also granted the right to bargain collectively without interference from the workers, while the unions were enjoined from using coercive measures of any kind in organizing.

### Labor Board has strong hand

AS for the "closed shop" and "open shop" controversy, the *status quo* existing at the time the War Labor Board was created was to be maintained in each shop.

Under this arrangement, disputes were numerous but the Board ruled with an iron hand. Although it had no legal power to enforce its awards, it was defied in only three instances. Once the Western Union Telegraph Company refused to obey its dictum, and Congress legislated quickly to seize the telegraph lines and turn them over to the Post Office Department. Once the Smith & Wesson Company decided that it would discriminate against union employees in defiance of an order of the Labor Board. The President by executive order seized its plant a few days later.

Again some 60,000 workers in Bridgeport, Conn., walked out on strike because they were dissatisfied with an award of the Board. The President wrote them a letter warning them that if they persisted in their strike they would be barred for one year from obtaining work in war industries and that the draft boards would be instructed to reject any claim of exemption based on their al-

leged usefulness in war production. They voted to go back to work the next day.

Under this system, industry prospered and the American Federation of Labor thrived furiously, its membership climbing to a peak of slightly more than 4,000,000 in 1920. Then the reaction set in.

The war ended, the Labor Board was dissolved, and the Government ceased to function as an umpire in labor disputes. The tills of industry as well as those of labor unions were full to overflowing. Labor had the money to finance its strikes, and industry could afford to indulge in the luxury of lockouts.

When the smoke of the battles had cleared away, the A. F. of L. took stock of its position and discovered that it had lost a million members. From that day forward it fought to hold its own. Even through the halcyon days of the boom and up to the crash in 1929, it struggled without success to record an appreciable gain in its membership, its revenues and its power.

Then came the depression which somehow failed to mark the Federation as a thing apart from any other business organization. Its membership rolls dwindled as its members defaulted in the payment of dues. Another million workers deserted its standard, and last June the A. F. of L. stood almost exactly where it had been 20 years before.

Its finances had suffered proportionately. Although the salaries of William Green and Frank Morrison, Secretary of the organization, are fixed by its constitution at \$12,000 and \$10,000 respectively, both of these gentlemen had taken cuts. The pay envelopes of the office workers became corresponding-

ly lighter. More serious, however, was the necessity of reducing the amount paid to organizers to bring new members into the fold, while the sums that could be spent in influencing legislation were similarly limited.

Sound business principles compelled curtailments all along the line, but Mr. Green refused steadfastly to depart from those principles. At the end of the fiscal year of the Federation, August 31 last, the Treasury showed a profit of \$33,000.

What the future of the A. F. of L. would have been had the National Industrial Recovery Act not been passed it is impossible to say, but the outlook was black indeed. The passage of that Act however gave Mr. Green the lever that he needed in prying his organization out of the quicksands into which it was sinking.

He had labored assiduously to have the famous "Section 7a" inserted in that Act, preventing employers from forcing their men to join company unions, granting employees the right to organize in their own way, and enjoining capital from discriminating against, or interfering with, labor.

### Labor had the advantage

AT best this section was a one-sided affair. It conferred no rights whatever upon employers. They were barred from operating a closed company-union shop, but labor was not barred—so the National Labor Board has ruled—from entering into contracts for closed A. F. of L. union shops. Employers could not coerce their employees, but employees were not barred from using coercive methods. Discrimination against union men was forbidden but—again under decisions of the Labor Board—discrimination against non-union men was not. Labor, in short, was sitting on top of the world and it was impatient to seize the advantages which the law conferred upon it.

Under the circumstances, Mr. Green lost no time in proclaiming this Act a Magna Charta of labor's rights. In statements that flooded forth from A. F. of L. headquarters in Washington, and in speeches, he skillfully gave the impression that the new law benefitted labor only if labor affiliated itself with the American Federation.

In a letter addressed to "Wage Earners and Salaried Workers Everywhere"—a letter incidentally that was sent out the day the National Industrial Recovery Act was signed—he said:

The National Industrial Recovery Act will mean much to you and your families if you organize into *bona fide* trade unions.

IT WILL MEAN LITTLE IF YOU FAIL TO DO SO.

So thoroughly did he accomplish his task that many workers thought the new law compelled them to join a union;

(Continued on page 72)



Mr. Green and John W. Lewis present labor's side of the automobile case before the National Labor Board



# MEALS

by the

## TRUCKLOAD

to Patients

### by the Thousands!

•

**L**OS ANGELES is proud of its County Hospital...the largest of its type in the world.

"Imagine 3400 patients, all to be fed at the same time—mealtime could easily take on the proportions of a major traffic tie-up.

"But modern equipment prevents food service from becoming a problem. For while there are eight diet kitchens (and seven cafeterias for nurses and staff employees), most of the patients are fed from the main kitchen. Their meals are served right at the bedside, piping hot from Monel Metal food trucks.

"In each of the 16 kitchens, in all the serving pantries, in bake-shops, at every turn you find Monel Metal food service equipment.

"Every department of the hospital is outfitted with equipment equally modern...operating rooms, sterilizing bays and even the laundry.

"Our experience with Monel Metal is that it is tough and strong, it does not corrode or rust even after long contact with hospital solutions. It is easily cleaned and easily kept clean, and years of the hardest kind of use leave it as bright and shining as the day it was first put in."

✱   ✱   ✱

Call the roll of *every one* of the big modern hospitals; almost without exception you find them using Monel Metal from roof to subcellar. The same is true of the newer and better hotels.



MR. EDWIN BERGSTROM

Executive head of the Allied Architects' Association, Los Angeles, California, explains how metal helps to smooth a three-times-a-day traffic problem in the world's largest county hospital.

Monel Metal to an almost equal degree is standard equipment in all the better laundries. It is widely used in dyehouses, chemical plants, packing houses, canneries, and wherever wear is hard or corrosion likely. Wherever rust is a threat to costly equipment. Wherever purity of product must be protected from contamination.

Your own kitchen duplicates these conditions. And Monel Metal demon-

strates convincingly all its qualities: as sink, cabinet top, table, range top, refrigerator, and kitchen tools. It demonstrates, too, its beauty, which gives many a piece of ordinary equipment an extraordinary sales appeal.

What of your business? Your industry? How is Monel Metal used there? We have the answer waiting for you. Just let us know which field you're interested in.

THE INTERNATIONAL NICKEL CO., INC., 67 Wall Street, New York, N. Y.



Monel Metal is a registered trademark applied to an alloy containing approximately two-thirds Nickel and one-third copper. Monel Metal is mined, smelted, refined, rolled and marketed solely by International Nickel.



# Monel Metal



# New Ideas in Selling

NOVELTY has its value in the selling field no less than elsewhere. The fresh approach, the new appeal often find echo in the merry whir of the cash register

★ **"TOURS by Train"** are being offered vacationists by British railroads. Passengers travel by train, make the cars their home throughout the tour. Travelling's done mostly at night, the tourists visiting points of local interest by day. They receive regular deliveries of mail and newspapers, have facilities for telephoning and telegraphing aboard.

**Service sales aid.** Auto dealers are offered a new repair-order system as a means of increasing sales in service departments. A light, portable autographic register is used to record the customer's repair order in triplicate, the forms also providing spaces for entering a date for a follow-up inquiry for further servicing, recommending additional repairs that should be made, recording any leads for new-car sales which the customer may supply.

**Greatest show.** An electrical goods manufacturer has a traveling electrical circus touring dealers' stores in the East, exhibiting such novelties as "Cy Clops," a one-eyed electrical fireman which spots a fire, then puts it out; a small auto which obeys spoken commands; an electrical man, etc. Truck and trailer, equipped with loud-speakers, carry the exhibit between towns, stage morning parades to announce afternoon and evening shows. Dealers finance the exhibit, find it builds store traffic in off-season periods.

**Tempting trade.** Several eastern food chains are increasing store traffic through a plan under which housewives are invited to call daily at their neighborhood store for 30 consecutive days, are given sets of drinking glasses and pitcher for doing so. The housewife is not required to buy anything, merely to present an attendance card which the store manager stamps.

**Design for loafing.** The "new leisure" under NRA has been capitalized by a New York department store through a three-weeks "Hobby Show." More than 50 booths offered more than 50 suggestions for improving idle hours. They ranged from bob sledding to soap sculpture.

**Visual proof.** A leather-covered photograph album on the fishing-tackle counter of a New Jersey sporting goods store aids tackle sales; it's titled "Caught by our customers with our tackle," contains photos of big ones that didn't get away.

**Premiums.** A Dayton hardware merchant promotes spring garden tool sales by emulating the practice of congressmen of yesterday; he offers customers free packets of flower seeds. . . . Dress fabric and notion sales are promoted by a Texas department store through a \$25 monthly prize for the best dress made from fabrics purchased during the month.



Varied backgrounds for show-windows can be formed with these newly patented, moveable panels hung from the ceiling

**New in packaging.** Onion sets are packed in one-pound, transparent-cellulose packages by an Illinois company. . . . Spots of aluminum foil are now being placed in beer-bottle caps to eliminate corky taste. . . . Tea is being vacuum-packed in glass containers by a Texas company. . . . Business cards are packed in vest-pocket-sized cardboard packets—25 to the packet—by one printing company; handy, neat, the packets

save soiling and wastage of cards. . . . A household enamel is being offered in a can which permits the contents to be stirred before the can is opened.

**Selling climate.** "Temperature of Miami Beach is . . . ; Wind Velocity is . . ." reads a space on Miami Beach (Fla.) Chamber of Commerce letterheads; blanks are filled in with correct figures as of the time of signing.

**Cooperative construction.** An architect, a lumber dealer, a building supplies dealer, a contractor, a sub-division owner, a steel man and the inventor of a new low-cost home construction method are cooperating in building a "subsistence home" near Middletown, O. Cooperators will receive pay and profit for their contributions when the house is sold, thus eliminating pyramiding of profit and further reducing cost of the home, already low due to the construction method which combines use of steel, wood and concrete.

**Two birds.** Monogramming is being actively promoted by a New York store, the service being offered on a wide range of merchandise—aluminum ware, bath mats, hampers, shower curtains, liqueur sets, cocktail shakers, linens, towels, etc. It adds customer interest and, equally important, eliminates returned goods, customers being informed that the monogrammed goods are non-returnable.

**Odd lots.** Declining per capita flour consumption (about 223 pounds in 1900; 163 today) is being fought by a large milling company through a national bread advertising campaign. . . . A New York liquor store rents storage space, thus permits apartment dwellers to build up cellars. . . . A "What's New Corner" provides a Philadelphia department store with a profitable selling center for smart new items. . . . A national food chain offers aid to church-supper organizers through menus and market lists for feeding 100, 200 or more persons. . . . A Utah sugar company acquaints consumers with its packaged sugar by giving miniature bags as samples. . . . Testimonials from

prominent citizens, photographs of rooms from their homes were used by a St. Louis store to promote its decorating and furniture departments. . . . Liquor stores are now offered gummed-paper parcel-sealing tape imprinted with cocktail recipes as well as the store name.

—PAUL H. HAYWARD  
EDITOR'S NOTE—Further information on any of these items can be had by writing us.





## now- THIS FIRM BUYS 33 NEW INTERNATIONALS



Away back in 1916, Gustav Papendick, of the Papendick Bakery Company, St. Louis, put a fleet of Internationals on his routes. It was a brilliant move, destined to have a profound effect on his daily business and the degree of his success and profit. He did not know it then, but he came to know it *intimately* through 1917, 1918, 1919, 1920, 1921, 1922, 1923, 1924, 1925, 1926, 1927, 1928, 1929, 1930, 1931, 1932, and 1933. For 17 years these trucks were on the job. In the meantime other makes of trucks were purchased, and weighed in the balance of performance. Other Internationals, too, were bought.

Now, the sequel. The Papendick Bakery Company has standardized on Internationals, replacing all its trucks with the fine modern fleet of 33 Internationals shown above. The Papendick experience offers YOU a convincing recommendation of ONE superior make of truck—INTERNATIONAL.

**Dowe build our trucks too well?**  
Is it good business to make a product—a truck product—that will last for 17 years? Some would say No, but *not* the experienced users of our trucks! And not International Harvester. To build to the limit of engineering and manufacturing skill and quality is our steadfast aim. And it *does* pay! It pays International Harvester in reputation and new business. It pays in our record of sales—rising irresistibly year by year, advancing ahead of the field through the years of de-

• International Quality is available today at amazingly **LOW PRICE**. Efficient production on a large scale now enables you, for example, to buy the International 6-cylinder 1½-ton Model B-3 chassis for **\$695**

f. o. b. factory

• The ½-ton Model D-1, seen in the center of the lower illustration above, carries a chassis price of \$360. You may have it complete with pick-up body as shown for

**\$500**

f. o. b. factory, ½-ton with panel body, \$590.

### TO INTERNATIONAL OWNERS AND DRIVERS:

There are other International users whose record of performance and service equals that of the Papendick Baking Co. Maybe you have an even better story to tell about your experience with International Trucks. If so, drop us a letter. We'd like to hear from you.

pression, years of close buying forced by economy. Wise truck buyers have learned to judge trucks not by first cost but by performance, dependable service, and low-cost operation.

See the near-by branch or dealer for demonstration of any International model, ½-ton to 7½-ton.

INTERNATIONAL HARVESTER COMPANY  
606 S. Michigan Ave. OF AMERICA Chicago, Ill.  
(INCORPORATED)



• **Hardened Exhaust-Valve Seat Inserts** are an International engine feature. They retard valve seat burning, engine efficiency is retained, and the valves seldom need grinding.



• **Replaceable Cylinder** save expense of reboring or replacement of cylinder block. This great feature of advanced design has long been everyday practice in International Trucks.

# INTERNATIONAL TRUCKS

When writing an INTERNATIONAL TRUCK DEALER please mention Nation's Business





## A Continuous Record is Your Greatest Safeguard

There is no substitute for a watchman equipped with an accurate recording watchman's clock to protect your plant from the hazard of fire during the slow, dark hours of night. Long before the firemen can arrive, the watchman on his tour of duty, should be able to detect the flame and put it out. The unalterable record from his clock, before you each day, shows that he is making his rounds regularly.

The Detex Newman (illustrated) is the finest key registering watchman's clock. The movement is specially designed for watch service. The heavy aluminum case cannot be opened without the exact time of its opening and closing being punched in the paper dial.

Each Newman clock and set of keys has a definite combination. Only these keys will make a record on the paper dial. Up to 20 stations may be recorded in a straight line on the dial. 30 stations is the recommended limit.

The Newman is made by a manufacturer with over 60 years of experience in making standard watch service equipment. More than 50,000 Detex systems are in service.

Replace your worn-out watchman's clocks with these standard, accurate Detex Newman Watchclocks. Full information will be gladly sent on request.

● Look for the nearest Detex Dealer in the classified section of your local telephone directory under "Watchmen's Time Clocks." Representatives are located in all principal cities. Complete information on request. Approved by the Underwriters' Laboratories, Inc., and the Factory Mutuals Laboratory.

**DETEX WATCHCLOCK CORPORATION**  
4153 Ravenswood Ave., Chicago, Ill. 29 Beach St., Boston  
80 Varick St., N.Y. Room 800, 116 Marietta St., Atlanta  
NB-5



**WATCHMEN'S CLOCKS**

**NEWMAN ★ ECO ★ ALERT ★ PATROL**

When writing please mention Nation's Business

## Business' Views on Tariffs

✓ OF THREE basic changes in the Administration's new tariff bill recommended by the U. S. Chamber, one was incorporated in the amended bill as reported by the House Ways and Means Committee.

The Chamber's position on tariff matters was explained to the Committee by James A. Farrell, chairman of the Chamber's Foreign Commerce Department Committee.

Mr. Farrell, on behalf of the Chamber, commended the general principle of reciprocal negotiations within limits clearly defined by Congress, but pointed out that the bill before the Committee would presumably permit lowering of rates below an adequate protective level; would repeal the important flexible provisions of the existing tariff; and would not provide opportunity for American industry to be heard on proposed changes.

### The Chamber's recommendations

IN LINE with opinions expressed by the Chamber's Board of Directors on March 3, Mr. Farrell recommended:

1. That, in granting authority to make tariff changes in the interest of reciprocal tariff negotiations, the Congress write into the law the definite limitation that no rate be lowered to a point where American industry and agriculture shall be subjected to destructive foreign competition.
2. That the flexible provisions of the tariff act be maintained, embodying a basic controlling formula, laid down by Congress, according to which shall be determined the adequate protective level at which individual tariff rates shall be set.
3. That, through a Tariff Adjustment Board or other instrumentality, and in advance of such Board making its recommendations to the President, there be full opportunity for American businesses, likely to be affected by contemplated reciprocal tariff or other tariff changes, to present testimony as to the incidence upon their respective enterprises of such changes.

Mr. Farrell pointed out that, in discussing tariff bargaining, reduction of rates of duty is too frequently emphasized as the main instrumentality. He told the Committee that there are some dozen or more methods of tariff bargaining that do not involve reduction of rates, which countries now engaged in trade negotiations consider. A copy of the pamphlet "Reciprocal Tariff Negotiations," published by the Foreign Commerce Department of the Chamber, describing these methods, was made part of the Ways and Means Committee hearings.

Citing President Roosevelt's state-

ment to the effect that there should be "assurance that no sound and important American interest will be injuriously disturbed," Mr. Farrell said:

"Our organization has long adhered to the principle that there should be 'reasonable protection for American industries subject to destructive competition from abroad and which are of benefit to any considerable section of the country.' This, we think, should be the first consideration. Reciprocal tariff negotiations should be secondary to it.

"We would call attention, therefore, to the fact that the proposed bill, while placing a 50 per cent limitation upon the authority to modify duties, and also prohibiting the transfer of any article between the dutiable and free lists does not contain the much more essential basic tariff formula of basing rates of duty, applying to any commodity, on the principle of equalizing foreign and domestic production costs plus transportation."

He added:

"Our organization has been in favor of the establishment of a tariff Adjustment Board to administer adjustable rates under the flexible provisions. In taking this position we have felt that there was a wide field of activity for the existing Tariff Commission in the determination of facts pertinent to all tariff matters. The judicial function of receiving testimony and formulating recommendations in accordance with the tariff law, under the flexible provisions, we have felt, might well be entrusted to a tariff Adjustment Board.

"Insofar as changes are to be made in connection with reciprocal negotiations, it is also our feeling that a board of this sort could be of constant value in receiving the testimony of American businesses affected by proposed modifications of rates in connection with the demands and bargains being discussed with foreign governments."

### Business should be heard

MR. FARRELL also drew attention to the present situation whereby not only American producers but also foreign producers have a chance to present facts bearing upon tariff changes and urged that, in the proposed negotiations between our Government and foreign governments, the American interests affected should have opportunity to make their views known. He said:

"A feature of the pending bill which will, I am sure, meet with opposition on the part of American industry is the failure to provide any opportunity for



hearing and investigation. It is beyond the power of any bureau or commission to know from day to day, in a world of constantly changing economic conditions, what will be the effect upon our economic life, upon our national defense, upon employment, upon recovery activities, of changes which might be proposed by foreign negotiating nations. It has long been recognized as fair play that both the American producer and the foreign producer have a chance to present facts bearing upon tariff changes. This has been part of our flexible tariff. It is also part of our customs law affecting the imposition of duties and classification of commodities. It is part of our procedure under the import provisions of the National Industrial Recovery Act."

### No equalization of costs

THE amended bill, as reported by the committee, retains the flexible provisions except that those provisions shall not apply to any article if a foreign trade agreement regarding its importation has been concluded.

No provision, however, was written into the amended bill to preserve the principle of equalizing foreign and domestic production costs nor was any provision made for opportunity for domestic producers, likely to be affected by changes, to be heard nor was there provision for investigation by the Tariff Commission or other body.

Under the amended bill the President would be permitted to change rates of duty, as a result of agreements, within a 50 per cent range, up or down, and would also be permitted to "bind" the existing tariff status of any article; all such changes would be made without referring them back to the Senate for approval.

### A Foreign Comment

A FITTING foreign comment on American business recovery is given in a recent issue of the *London Times*. The *Times'* New York correspondent writes:

In these troubled times, the only bright ray of sunshine piercing through the clouds is the vitality of the recovery instinct. Doctored almost to death at times with specious economic remedies, business goes doggedly forward, surviving one crisis after another. Every week sees it a bit farther along its road.

Business activity has now recovered a good half of the loss sustained between July and November of last year, and while its rate of gain in recent weeks has been accelerated by an intention to forestall the labor crisis that has been rapidly developing, still it is hardly to be doubted that its impetus would have been maintained even without this spurring fear.

# Labeled

## BY PNEUMATIC



Many of the famous pharmaceutical and cosmetic products sold today are automatically labelled by a Pneumatic McDonald machine.

The McDonald Labeller has become the first choice in labelling equipment because of its proven accuracy, speed, economy and dependability. With the repeal of prohibition the leading distillers, looking at this record, are also installing McDonald Labellers.

The McDonald applies front and back labels, all-around labels, double-end labels or seals on bottles, jars, cartons, boxes or packages with unfailing accuracy at rated speeds ranging from 40 to 120 a minute.

The McDonald is the preferred labelling method. We shall be glad to give you, free, complete information and recommendations on the McDonald that is best suited to your needs. Write, today.



## PNEUMATIC SCALE PACKAGING MACHINERY

PNEUMATIC SCALE CORPORATION, LTD., 67 NEWPORT AVE.  
QUINCY, MASS. (NORFOLK DOWNS STATION)

Branch Offices in New York, 117 Liberty St.; Chicago, 360 North Michigan Ave.;  
San Francisco, 320 Market St.; Melbourne, Victoria; Sydney, N. S. W. and  
Tringalgar House, No. 12 Whitehall, London, England

When writing to PNEUMATIC SCALE CORPORATION please mention Nation's Business



# A Big Job Ahead

By HENRY I. HARRIMAN President, U. S. Chamber of Commerce

✓ A DREAM of the Nineteenth Century promises soon to become a reality. An Inter-American Highway from Alaska and the Dominion of Canada on the north to Chile, the Argentine and Brazil on the south is now having its gaps filled in on the maps and plans of the engineers. At many points along the way graders and steam shovels are already at work forging links in this chain of commercial, social and political relationship between the peoples of two continents.

More than 12,000 miles in length from north to south, this will be the first highway ever to connect great inhabited areas of the northern and southern hemispheres.

Of the total length, 4,500 miles are now passable by automobiles in all weather, chiefly in Canada, the United States, Mexico and Panama, with sections in Alaska, Costa Rica, Salvador, Guatemala, Colombia and Brazil. In the other Central and South American countries, all-weather roads represent an insignificant mileage. Highways passable in dry weather, however, cover the greater part of the international highway route.

But mud is not the only obstacle to through traffic. Gaps now impassable to motor vehicles will call for 1,200 miles of entirely new construction in northern Canada and Alaska, 350 miles in southern Mexico, 160 miles in Costa Rica and 25 miles each in Nicaragua and Panama. South of the Canal Zone, in Colombia, lies a formidable gap of more than 400 miles entirely through jungle before connection is made with the highway system on the plateau of central Colombia and northern Ecuador. The only other important gap on the main north and south route in South America is one of about 150 miles in the southwest part of Ecuador in the vicinity of Guayaquil.

The South American portion of the highway offers a great variety of scenery—in the jungles of Colombia and Brazil, the seacoasts of Peru and Chile, among the magnificent heights of the Andes and on the broad expanse of the Argentine pampas. A thousand miles of this highway will be at elevations between 5,000 and 10,000 feet.

At the south end of Peru, midway

between Panama and the Straits of Magellan, lies the future main junction point of South America's highways. Here converge the boundaries of Peru, Bolivia and Chile, famous through the Tacna-Arica controversy. From this junction point, the main stem of the international highway continues south through Chile to Santiago, while a major branch, now largely impassable, will lead across the Andes to Bolivia, southern Brazil and the great city of Rio de Janeiro, with a secondary branch southward east of the Andes to Buenos Aires and Montevideo.

These South American travel routes have given us fascinating stories of exploration. From the accounts of such pioneers as Franck, Veatch, Squier, Shunk, Courteville and Tschiffely, and from his own travels on road work in South America, E. W. James of the U. S. Bureau of Public Roads has pieced together the best available information to supplement the road surveys made by South American Governments.

He tells us, for example, that a party with motor truck made the trip on the projected route from Rio de Janeiro through Bolivia over the Andes into Peru in spite of the 100 mile gap, impassable for wheeled vehicles, between Santa Cruz and Cochabamba, Bolivia. It took a month to cover this 100 miles. The motor truck had to be knocked down and carried on mule back, the rivets being taken out of the chassis to disassemble the parts into small enough loads.

## Roadless territory in Ecuador

IT IS recorded that two automobiles have, on their own wheels, made the 2,500 mile trip along the west coast from Santiago, Chile, to the north tip of Peru but they did not even attempt to traverse the roadless territory in southern Ecuador. Farther north, however, it is now practicable in good weather to drive from central Ecuador northeasterly through Colombia and Venezuela to the port of Caracas on the Caribbean Sea, a distance of 1,500 miles. In the vicinity of Bogota, Colombia, some 400 miles of this route is passable in any weather, the longest continuous stretch of im-

proved highway in South or Central America, except for an approximately equal mileage in the vicinity of Rio de Janeiro.

From this brief review and from the map on page 57 it will be seen that the main problem of the Inter-American Highway in South America is one of rebuilding about 5,000 miles of dry weather roads to all-weather standards and constructing something more than 1,500 miles of new highway. To date there has been no survey or estimate of cost for the work in the southern continent.

At the other extremity of the Inter-American Highway, in Alaska, we find, between Fairbanks and the Canadian border, 90 miles of road completed and 180 of new construction needed at an estimated cost of \$2,000,000. In the Canadian section, from the Alaska border to Hazelton, British Columbia, 100 miles of completed road and 1,000 miles of new construction are required with estimated cost of \$12,000,000. From Hazelton to Vancouver and Seattle, 880 miles, the road is completed mostly with gravel surface and is passable at all seasons. Located east of the Coast Range Mountains the highway in Canada and Alaska will avoid the excessive snowfall prevailing nearer the Pacific Ocean and no serious difficulty is anticipated in keeping it open in winter.

In the United States there are so many major north and south highways that none have been particularly designated as through routes to connect with the two great Mexican branches of the Inter-American Highway—one from Laredo to Mexico City and the other from Nogales, skirting the Gulf of California, to Mexico City. South of Mexico City the two international highways are merged.

The Mexican Government, with a well organized body of Mexican engineers, has pushed construction from Nuevo Laredo on the Rio Grande to Mexico City so rapidly that the total distance of approximately 800 miles is to be open to traffic in all weather before the end of this year, according to the San Antonio (Texas) Chamber of Commerce which conducts periodic logs of this road. The western route from Nogales to Mexico  
(Continued on page 57)





## To AZTEC culture, *the printing press was added in 1539 A.D.*

Many phases of Aztec or Mexican culture amazed the Spanish conquerors, yet there existed no means of written communication more advanced than picture writing.

Consequently when missionaries wished a tract printed in the Spanish and Nahuatl languages, John Kromberger, most illustrious printer of Spain, sent a press to Mexico, where difficulties of translation could be more readily overcome.

The first press arrived in the New World in 1539, under the management of Giovanni Paoli and at least eight books were published.

One easily may imagine that more difficulties than those of translation confronted Paoli. Consider his paper, for instance — a crude prod-

uct brought slowly thousands of miles over land and sea.

Printers may have problems still, but Kleerfect — The Perfect Printing Paper — has answered the desires of printers for an uncoated printing paper with these five balanced essentials — proper strength, excellent opacity, smooth surface without glare, same color and finish both sides, and proper absorption of ink. Yet Kleerfect is available at prices no higher than you are used to paying for just printable paper.

This advertisement is not printed on Kleerfect but we will gladly send you samples of Kleerfect printing. Please use your letterhead and address our Advertising Department in Chicago.

**Kleerfect**  
REG. U. S. PAT. OFF.  
THE PERFECT PRINTING PAPER  
MANUFACTURED UNDER U. S. PAT. NO. 1,910,072

CHICAGO  
8 South Michigan Avenue  
NEW YORK  
122 East 42nd Street

**Kimberly-Clark Corporation**  
ESTABLISHED 1872

NEENAH,  
WISCONSIN, U. S. A.  
LOS ANGELES  
510 West Sixth Street



★ *One pound saved per*

## IS POTENT TRUCK ARITHMETIC

**H**ERE is a little exercise in arithmetic for the back of a handy envelope:

This semi-trailer tank-truck has a capacity of 5000 gallons. It is being driven an average of 4000 miles per month. Its tank of Alcoa Aluminum weighs 5140 pounds less than if made of steel.

That is just 10,280 ton-miles *less dead-weight haulage* per month for its owner.

Now, if you are personally interested in economy in truck transportation you will want to apply *your own cost constants* to this striking example of dead-weight saving.

### OTHER BODIES, TOO

The principle here exemplified applies to every sort of sizeable truck-body, or freight container — indeed wherever mass is in motion. Always Alcoa Aluminum is light on the Dead Load; heavy on the Pay Load.

More pay load within a fixed gross weight; less gross weight for a fixed pay load; lower engine rating for a given pay

load — any way you pose the problem Alcoa Aluminum is the inevitable answer, because it combines great strength with light weight.

### A THOUSAND OTHER SPOTS

Strong as structural steel, yet weighing only  $\frac{1}{3}$  as much, alloys of Alcoa Aluminum are writing new history everywhere in business. Easily fabricated, high in corrosion resistance, high in heat and electrical conductivity, it is being used to advantage in almost every industry.

There is no mysterious alchemy to the fabrication of Alcoa Aluminum. Light to handle, it forms readily, welds beautifully, finishes proudly, performs long, economically.

If this truck story has struck a responsive chord, or if our reference to versatility has given you a hunch on using Alcoa Aluminum elsewhere in your business, we shall gladly place our experience at your disposal.

ALUMINUM COMPANY OF AMERICA, 1825 GULF BUILDING, PITTSBURGH



★ ALCOA ★



*gallon X 5000 X 4000*



ALUMINUM



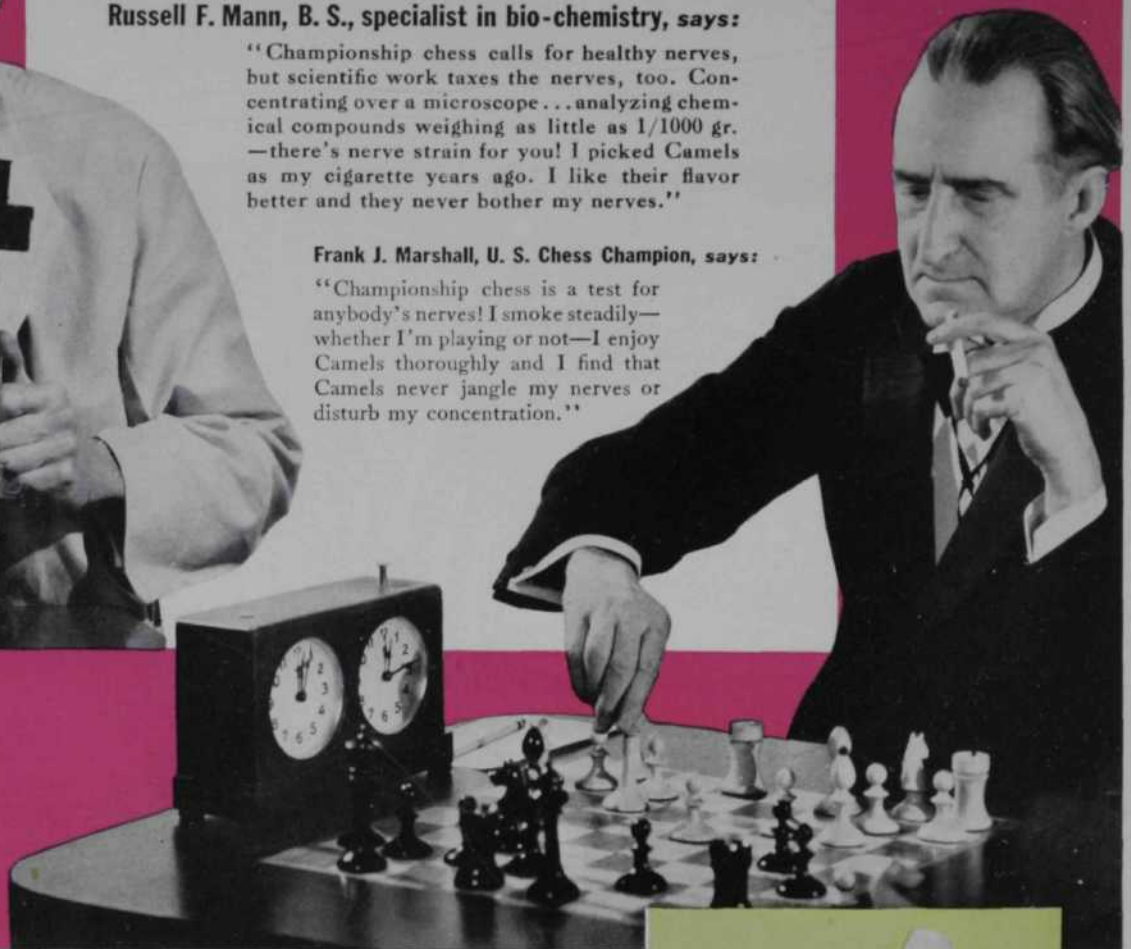
## "A SCIENTIST NEEDS HEALTHY NERVES, TOO, MR. CHESS PLAYER"

**Russell F. Mann, B. S., specialist in bio-chemistry, says:**

"Championship chess calls for healthy nerves, but scientific work taxes the nerves, too. Concentrating over a microscope... analyzing chemical compounds weighing as little as 1/1000 gr. —there's nerve strain for you! I picked Camels as my cigarette years ago. I like their flavor better and they never bother my nerves."

**Frank J. Marshall, U. S. Chess Champion, says:**

"Championship chess is a test for anybody's nerves! I smoke steadily—whether I'm playing or not—I enjoy Camels thoroughly and I find that Camels never jangle my nerves or disturb my concentration."



Copyright, 1934, R. J. Reynolds Tobacco Company

### How Are YOUR Nerves?

Are you a coin rattler...a ring twister? Do you drum with your fingers, wrinkle your forehead, make peculiar clucking noises when you are under a nervous strain? All these habits come from "jangled nerves"—they are nature's way of calling for a new deal.

So get enough sleep—fresh

air — recreation — and make Camels your cigarette.

**Camels are made from finer, MORE EXPENSIVE TOBACCOS than any other popular brand.**

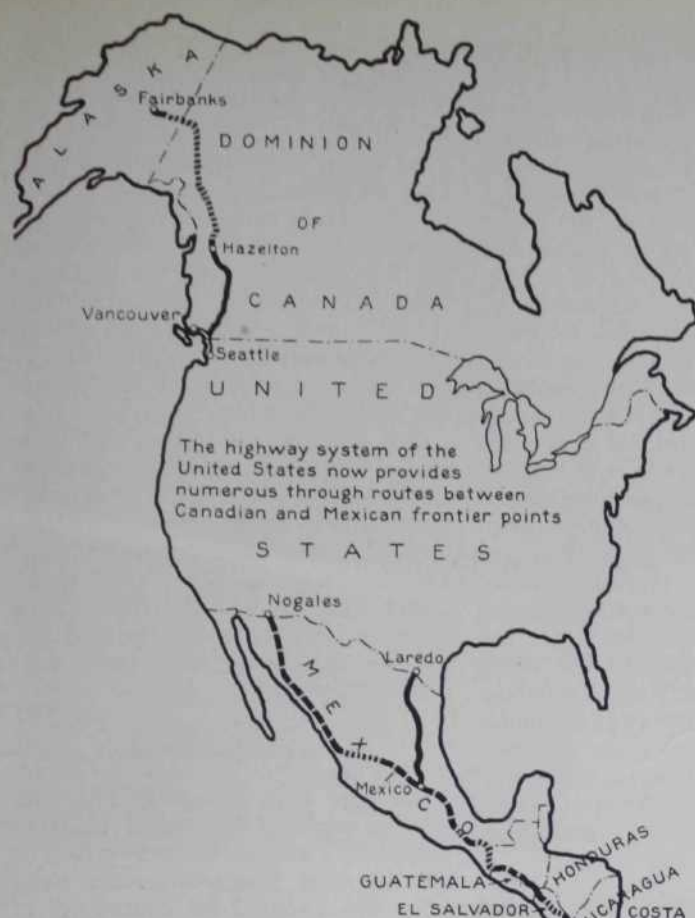
You can enjoy Camels as freely as you wish because this milder cigarette, rich in flavor, *never gets on your nerves!*



# Camel's Costlier Tobaccos

NEVER GET ON YOUR NERVES... NEVER TIRE YOUR TASTE!





about 500 miles are already completed and open to all-weather traffic, while 500 more are good or fair in dry weather. To bring the entire Central American section to all-weather standards, with surfaces of local materials, an expenditure of approximately \$30,000,000 will be required. Higher types of surfacing have been estimated as follows: Local materials with oil treatment, \$38,000,000, and concrete, \$101,000,000.

### A definite road plan is needed

THERE can be no dissent from the proposition that a definite location of the international highway route in this area should be established so that the Central American republics will be able to plan their road work to fit in with the ultimate scheme. But the conception behind the international project goes much farther than this. There are obvious advantages in opening up a through route for the highway tourist between the countries of North and South America and special values to citizens of the United States living in the Panama Canal Zone. For example, the 250 miles of improved road in Panama have already been largely patronized by the residents of the Canal Zone for recreational travel and it is easy to see how much a through highway to the north will mean to them.

Special interest in the Central American section of the proposed highway lies in the possibility of opening up large areas for agricultural and commercial development of a nature which should promote the economic welfare both of these and other American countries. At present, access to the interior and cultivable uplands of Central

(Continued from page 52)

City has been explored by a pathfinding automobile expedition from the Automobile Club of Southern California but practically the entire distance of 1,300 miles will require improvement and, in places, new construction.

In the Mexican section, south of the City of Mexico, 630 miles of the highway are passable in dry weather, but farther southward to the boundary of Guatemala lie 340 miles traversed only by a mere trail. The Mexican Government is deeply interested in the Inter-American Highway project and will doubtless have all the highway in its territory ready for traffic before completion of the sections between Mexico and the Canal Zone.

In several respects these latter sections, totalling 1,500 miles and passing through the six Central American republics, now present greater interest than any other parts of the general project. It is here that a relatively short section of the whole highway passes through a number of different countries, some of which have thrown themselves actively into the work of improving the highways along the international route while others are frankly asking for help. It is here that opportunities seem to exist for development of agriculture in distinctive products for which the United States offers an almost unlimited market.

Recognizing the Central American section of the highway as the key to early completion of the whole project, cooperative efforts have in recent years largely been concentrated here. By action of Congress the United States offered assistance for a reconnaissance survey of the route from the Panama Canal Zone to the border of Mexico. This offer was accepted by five of the Central American countries and the remaining country, Salvador, also actively cooperated. The U. S. Bureau of Public Roads, at the request of the State Department and with cooperation from the Department of Commerce, conducted the reconnaissance survey between 1930 and 1933, assisted by the highway engineers of the countries concerned.

Of the 1,500 miles of the highway in Central America



— ALL WEATHER ROAD  
 - - - DRY " "  
 ..... NO ROAD

The 12,000 mile highway connecting North and South America will open areas now inaccessible





Operates on both A.C. and D.C. Weight 7 ounces

## "Unbelievable!" yet the simple truth

You can shave so close and clean with the Schick Dry Shaver that your face will be absolutely smooth. Yet you use no soap, no water, no brush and **NO BLADES**. You cannot possibly cut nor scrape yourself. As you continue to use the Dry Shaver, the old skin gradually flakes off. You get a new, more youthful and flexible skin easier to shave and more healthful in appearance. There is real economy in the long use of the Dry Shaver for there is nothing to buy, to sharpen or replace. **GET A DEMONSTRATION.** Any Schick dealer will show you the Dry Shaver. If none is near you, send \$15 (\$17.50 in Canada) direct to us. A full guarantee protects you.

### SCHICK DRY SHAVER, INC. Stamford, Conn.

Pacific Coast:—Schick Dry Shaver Distributors,  
Reno, Nevada. Canadian Distributor:—Schick Dry  
Shaver, Ltd., Westmount, Quebec.



# SCHICK DRY SHAVER

When writing please mention Nation's Business

America, which range from 1,500 to 5,000 feet in elevation and rise to 10,000 feet in Guatemala, is mainly by steamer to the ports and thence by rail, highway or airplane. The Pan American Airways, however, provide service throughout the length of Central America paralleling the future line of the Inter-American Highway on the Pacific slope of the divide.

The routes via the ports will doubtless remain the great channels for transportation of freight and for a large part of the passenger traffic. With completion of the highway the several countries are expected to build additional short spurs to the ports or connect up and improve existing laterals. Those who have studied the influence of highways in the development of new areas thus see in the Inter-American Highway a great potential force for the stimulation of agricultural and other development for which the region is specially adapted but which is as yet developed only to a limited degree because of the absence of communication.

The Bureau of Public Roads' survey points out that Central America's lands and climates are suited for production of

Rice, tea, cinnamon and other spices and condiments, camphor, quinine and other medicinals and drugs, rubber, copper, many palm-nut and vegetable and essential oils, varnish, gums such as copal, wool, abaca, hemp, and insecticide plants.

The United States now depends upon distant sources for its major supply of many of these commodities; in some cases we rely upon a single country for our principal supply. With expanding world requirements, is it not logical that the United States should have a mutual interest with the Central American countries in the development of these resources? At present the principal products of the Central American countries are coffee and bananas. From their point of view it would seem, as we have found it in the United States, to be most desirable to get away from the one crop status and to develop diversification of agriculture.

### Transportation is now costly

IN SUMMING up the economic studies made with cooperation of the U. S. Department of Commerce, the Bureau states:

Although these countries, and the Caribbean region in general, have been regarded as high-production-cost areas, the cause of this is traceable primarily to lack of cheap transportation, and not to any inherent difficulties of resources or man-power. Adequate highway systems connecting with the present short water hauls will do much to remedy existing deficiencies. These considerations, of course, apply chiefly to agriculture, which will doubtless be the dominant characteristic of this region for centuries to

come; yet they have significance also in respect to lumbering, with vast hardwood forests thus far undeveloped, and to mining, with mineral resources whose extent is still undetermined.

As means for obtaining revenues as a basis for financing the highway, in addition to those which may be expected from the increased wealth resulting from the improvement, there are important possibilities of direct revenues through gasoline taxes, charges for concessions for service to the traffic on the highway and increment in value of public property along the route.

The Chamber of Commerce of the United States has for many years realized the potentialities of the Inter-American Highway and the membership have on several occasions declared its support for the program. The Chamber, together with many of the chambers of commerce in Central and South America, has actively cooperated in furthering its progress.

### A survey for location

THE next step should be a definite location survey of the Central American project and a reconnaissance survey of the proposed South American route from the Canal Zone southward to Chile, Argentine and Brazil. Whether or not large scale financing for immediate construction is attempted, the definite location survey will be of inestimable value as a guide to the future road programs of each country, while the reconnaissance survey of the route into and through South America would give some preliminary ideas as to the total cost and possibilities of early construction.

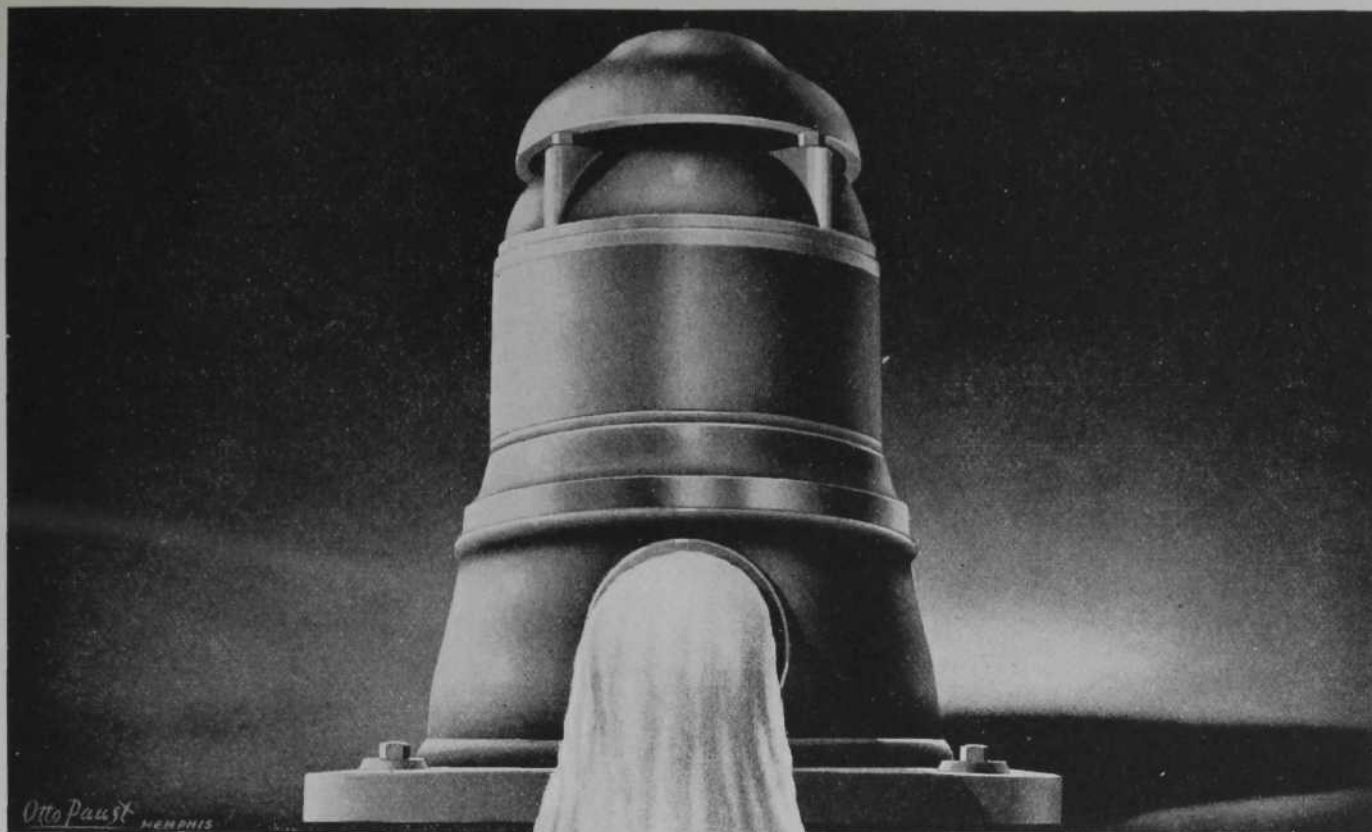
At the Conference of the Pan American states at Montevideo a representative of the United States said, "President Roosevelt has indicated that the Congress of the United States might well give favorable consideration to a recommendation that the United States bear the immediate and initial expenses for the survey of a highway throughout both the North and South American Continents, the other interested Governments to be requested later to share in the cost of the project."

Such a survey, it is understood, would cost about \$500,000.

When the surveys are finished, the question will doubtless arise whether the United States should in some way assist in financing the construction—not as a gift or contribution but as a paying investment of value in stimulating our trade and with its return covered from prospective revenues from gasoline taxes, service concessions and increased land values.

Progress on this big job ahead, with its manifold possibilities of economic, social and political value to both continents, seems to rest largely on the initiative of our Government.





# *First Choice* OF MEN WHO *know*

AMONG the men who know . . . among impartial hydrological engineers who base their recommendation of the best in pumps and well water systems solely on fact and proof . . . the *first choice* of the majority is LAYNE. Why? Because LAYNE produces *results*. They know from experience that LAYNE means "more water . . . less cost," whether the demand is for hundreds or millions of gallons. Let the choice of these ex-

perts guide you in your selection of pumps and wells. Your guarantee is LAYNE's 50 years as leader in its field, and an unmatched, world-wide organization. Our newest bulletins are yours for the asking.

LAYNE & BOWLER, INC.  
GENERAL OFFICES

Department E  
Memphis, Tenn.

Send me free your newest bulletins of special interest to  
( ) industrial ( ) municipal officials.

Name \_\_\_\_\_

Address \_\_\_\_\_

# LAYNE PUMPS

## AND WELL WATER SYSTEMS



IS THIS A PICTURE OF

*Your* SECRETARIES?

## Edison OFFERS SECRETARIAL SERVICE ALL THE TIME!

With EDIPHONE Voice Writing Service dictators dictate whenever they wish, as easily as telephoning! Business capacity increases because with Voice Writing unavoidable absences—due to conferences, sales trips, etc., are “bridged over”. Telephone calls that need confirmations are immediately answered. Ideas, plans—everything flows into operation.

Have you seen the new PRO-TECHNIC EDIPHONE? Its mechanism is completely enclosed, electrically controlled! And it features Edison's principle of “Balanced Voice Writing” which makes dictation easier, faster.

We will be glad to prove to you that Voice Writing can increase your firm's business capacity 20%-to-50%.

Secretarial Service  
ALL the Time



with the  
**Pro-technic  
Ediphone**

For detailed information—telephone or write “The Ediphone.”  
WORLD-WIDE SERVICE

Thomas A. Edison  
INCORPORATED  
ORANGE, N. J. U. S. A.



When writing please mention Nation's Business

## The Railroads Hold the Pace

(Continued from page 26)

Ask any seasoned traveller who runs the “Century,” the “Broadway,” the “Federal,” the “Capitol,” and more than likely he will know the answer. And nowhere is the evolution of transportation more luxuriously epitomized with the modern touch than in the through-service equipment of the Western lines. The “Chief,” the “Overland Limited,” the “Empire Builder,” the “Olympian,” the “Golden Gate Limited”—to mention only a few of the No. 1 cross-continent speedsters—bear names which embalm an epic conquest of nature in the raw, and symbolize with dependable regularity the underlying unity of the American people.

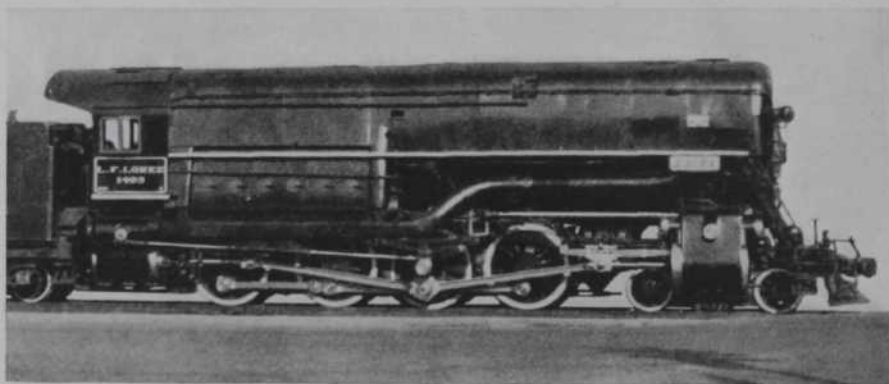
### Passenger trains as advertising

EVERY passenger agent knows that folks who pay extra fare, expect “extra fast, extra fine” as a matter of course. But that passenger traffic should be looked on as mere window dressing is something of a paradox in view of the expenditures to keep it attractive. How much this notion of expensive front needs qualification is readily revealed in the revenue figures for 1933. Of a total of \$3,095,446,191 of operating income

superb substance of confidence in the ability of the railways to win a sustaining share of the transportation dollar.

The development of the Burlington's streamlined stainless steel motorized flyer, “the Zephyr,” completed in April, equipped with a luxurious shatter-proof glass solarium, is a lively accent on brilliant speed with conveniences in the modern manner. In this aerodynamic design the engineering arts and the resources of the industrial outfitters are brought to a spectacular focus. As the Burlington's innovation so eloquently attests, transportation is becoming a matter of style and eye appeal in its interpretation of dependable service.

Several cars have been built for the Burlington, the Reading and the Texas & Pacific by the Edward G. Budd Manufacturing Company, Philadelphia, using the method of stainless steel construction developed by that company. The possibility of using stainless steel in thin sheets, formed into structural sections suitable to resist compression, depends upon the Budd shot-welding process for joining these thin sheets. This is a process by which the quantity of energy passing through each spot weld can be controlled within very narrow limits, thus preventing injury to



Even the steam locomotive feels the effects of change. The American Locomotive Company built this stream-lined model for the Delaware & Hudson

received by Class I roads—those taking in a million or more dollars a year—passenger traffic accounted for \$329,341,854, a decrease of \$47,753,519, or 12.7 per cent, compared with 1932. In 1933, passenger revenue amounted to 10.6 per cent of the whole rail revenue; in 1932, it was 12 per cent; in 1929, it was 13.9 per cent.

This retrogression is variously explained, with new forms of competition uppermost in public interest. Certainly the accumulating evidence indicates that railroad managements are actively concerned to match any challenge of speed, comfort, or safety. At the Century of Progress Exposition millions of visitors were memorably magnetized with the

the stainless steel surrounding the weld by the excess heat ordinarily present during such welds when the energy is not under automatic control. This method of producing a strong structure of light weight was used in the building of the Burlington's three-unit articulated train.

As an example of the economies afforded by radical reduction of weight, Mr. Budd has pointed out that a typical passenger train, including locomotive, has a capacity of 380 passengers and weighs 1,631,000 pounds. With a passenger load of one-half, which he calls a fair average, this amounts to 8,500 pounds of train per passenger.

“The passenger pays the railroad 3.6





# **SPEED FIGURING**

*...EASY and SAFE... the  
Underwood Sundstrand way*

**T**HE Underwood Sundstrand Adding Machine is geared up to safe, high-speed figuring. It adds, multiplies and subtracts in the twinkling of an eye. It selects the right column automatically. It allows the operator to tap a figure out exactly as he'd write it out with pen or pencil.

It's easy to operate, too. Just ten numeral keys...and so logically arranged that the touch system of operation comes as a natural development of just a few hours practice.

There are twenty-two Underwood Sundstrand models, manually or electrically operated and of 8, 10 or 11 column capacity. See them at the nearest Underwood Elliott Fisher Branch or just telephone for a demonstration in your own office.

*Adding Machine Division*

**UNDERWOOD ELLIOTT FISHER COMPANY**  
Adding Machines . . . Typewriters . . . Accounting Machines

Carbon Paper, Ribbons and other Supplies

342 Madison Avenue, New York, N. Y.

Sales and Service Everywhere



**UNDERWOOD  
ELLIOTT FISHER**  
*Speeds the world's  
business*

Every Underwood  
Sundstrand Machine  
is backed by Under-  
wood Elliott Fisher  
service.

Right: Underwood Sundstrand Portable Electric Model 10140-P



**10  
NUMERAL  
KEYS**  
—that's all

# **UNDERWOOD SUNDSTRAND**

## **ADDING-FIGURING MACHINES**

*Products of Underwood Elliott Fisher*



*When phoning an UNDERWOOD branch office please mention Nation's Business*





**"I saved \$25<sup>00</sup> last year on my Automobile Insurance"**  
**"You mean by changing to a MUTUAL Company? . . . I did that ten years ago!"**

ANY CAR OWNER interested in reducing costs will find it worth while to inquire into mutual insurance.

He will find available to him strong legal reserve mutual companies, which have returned a substantial dividend to policyholders every year of their corporate existence.

He will find that the mutual plan of insurance is older than any other—that over a million car owners are mutually protected—that in other forms of casualty risks such as workmen's compensation, mutual companies are protecting thousands of the leading corporations of the country.

#### How a Mutual Company Saves Money for Policyholders

The fundamental aim of mutual insurance in all of the 182 years of its existence has been to reduce the cost of the insurance by reducing the losses. This comes about largely through careful selection of risks—through doing everything possible to help policyholders avoid accidents. Economy of operation contributes also to this result.

Whatever saving a mutual company effects is passed on to policyholders. There are no stockholders.

#### A Selected Group of Companies to Choose From

The member companies of the National Association of Mutual Casualty Companies simplify the matter of selection for any car owner or employer interested in mutual saving and protection. There are 22 companies in this group—acknowledged leaders. Assets of Association Companies total over 106 million dollars. In the past ten years they have saved and returned to policyholders \$107,994,478.

#### Add to Your Insurance Knowledge

A valuable booklet will be sent free on request. In 24 pages the fundamental principles of insurance are outlined—the different types of insurance explained. Names and addresses of Association Companies are included—their methods of operation made clear.

#### Look for This Seal . . .



When you buy mutual insurance—except life insurance—look for this seal. Any company privileged to use it is a member of The American Mutual Alliance. It is a symbol of stability and strength.

## MUTUAL CASUALTY INSURANCE

Sound and economical protection on the following risks: accident • automobile (all forms) • burglary and theft • fidelity • liability (all forms) • plate glass • property damage • workmen's compensation

#### WRITE FOR THIS BOOKLET

National Ass'n of Mutual Casualty Companies,  
230 North Michigan Avenue, Chicago, Ill.

Kindly send me your booklet giving names of Association companies, and an outline of the benefits they offer.

Name \_\_\_\_\_

Street \_\_\_\_\_

City \_\_\_\_\_

When writing to NATIONAL ASSOCIATION OF MUTUAL CASUALTY COMPANIES please mention *Nation's Business*

cents a mile for the privilege of riding," Mr. Budd said, "and the railroad moves four tons of equipment for his benefit. If the same passenger offered that same load in cast iron as freight, he would have to pay the road about 26 cents a mile. The passenger enjoys the best of accommodation, comfort and speed while the cast iron has the lowest less-than-carload rating. Again a passenger pays \$3.99 to ride from Philadelphia to New York in a Pullman which weighs 160,000 pounds and costs \$85,000, but if he ships a calf in a crate over the same route in a freight car weighing 43,000 pounds and costing \$6,000, he would have to pay \$10.50. This method of figuring may be open to criticism, but the fact remains that our railroads are hauling a great non-revenue producing weight in their passenger trains.

"On the other hand, a light diesel-electric train having a capacity of 236 passengers, baggage space and buffet service, weighs no more than 230,000 pounds. This is about half the weight of an ordinary locomotive and tender alone, or less than 1,000 pounds per passenger."

#### Catching the public's eye

ANOTHER focal point of current interest is provided by the Union Pacific three-car articulated all-aluminum train, Winton powered and projectile shaped. Streamlining is not the whole answer to restoration of rail prestige, but it is a competent gesture to catch the attention of John Per Capita, now notoriously fickle in expressing his transportation "demand." Back of this Union Pacific gesture are the resources of the road itself, and the technical support of the Pullman Car & Manufacturing Company, the builders, the Aluminum Company of America, General Motors, the Stout Aeronautical Company, the University of Michigan, the Winton Engine Company and dozens of suppliers of equipment and furnishings.

A partial list of specialties used in this one train suggests the broad range of the contributory industries and helps to define the structural details and fittings:

Tread plates, electrical control, generating and driving apparatus, window capping, air compressors, refrigerating unit, cast steel truck frames, wear plates, rolled steel wheels and axles, air brakes, slack adjusters, roller bearings, safety glass, oil fired heaters, brake shoes, rubber for insulation and shock absorption, stainless steel, shake-proof screws, storage battery, headlights and marker lamps, window wipers, duplex air brake gage, air horns, sanders, and speed indicator.

Also included are flashlights and tool kits for the crew, flexible hot air connections, exterior enamel, insulation material, cork tile floor covering, Masti-





## NO WONDER *the customers go right by*

**N**O ONE is in a buying mood when little rivers of perspiration are running down his back.

A number of businesses have learned that lesson, to their profit.

Movie theatres used to have great yawning rows of empty seats in the summertime. Today, those theatres that are air conditioned find that the hotter the weather, the more people flock to them.

The same thing is true of the hotels, restaurants, shops and department stores that have air conditioning.

If you are a customer, your comfort demands that you seek out places of business that are air con-

ditioned. If you are in business, your profits can be increased by air conditioning.

General Electric gives you the benefit of its years of experience in refrigeration, electrical control engineering and automatic heating.

This company offers the most complete line of air conditioning equipment—well designed, dependable, made to meet a wide variety of needs. You can have complete, year-round air conditioning for one room or an entire store, office, restaurant, home. (Complete air conditioning supplies clean air, gently circulated, always at the right temperature,

with humidity raised or lowered as needed.)

You can have summer cooling, by which the air is cleaned, cooled, dehumidified, and gently circulated. Or you can have winter air conditioning alone. Installations are made under direction of G-E trained engineers.

For complete information, see the G-E Air Conditioning dealer in your town, or mail the coupon today.

**GENERAL  ELECTRIC**  
**AIR CONDITIONING**

FOR STORES • HOMES • OFFICES • RESTAURANTS

*When writing to GENERAL ELECTRIC COMPANY please mention Nation's Business*

General Electric Company  
Air Conditioning Department, Div. N.B.5  
570 Lexington Ave., New York, N. Y.

Send me, free, information about G-E Air Conditioning for (check) Summer..... Year-Round.....

Office..... Store..... Home.....

Name.....

Street and No.....

City and State.....



# CRUISES

## TO ORDER



*Regular weekly sailings of the famous Round the World and Trans-Pacific President Liners allow you to leave when you choose, stopover as you like and continue your cruise when you want to—just as you would on your own private yacht. Yet the fares are no more than for ordinary trips.*

### CALIFORNIA

... via Havana, through the Panama Canal. A two weeks cruise, or longer—according to stopovers. Sail any Thursday from New York. *First Class* from \$165; *Tourist* \$120.

### ROUND AMERICA

To California by President Liner and return by your choice of direct rail routes (or the reverse). *Complete roundtrips, hometown to hometown, from \$255 First Class; \$210 Tourist.*

### ORIENT

Japan, China and the Philippines are close when you go by President Liner, and special Summer roundtrip fares (via Hawaii and the Sunshine Route) are low... *from \$450 First Class; \$240 Tourist (Yokohama and return).*

### ROUND THE WORLD

26,000 luxurious miles. Visits in 21 ports in 14 different countries. Stopover as you like, continue on the next or a later President Liner. Take only 110 days (85 if you cross America by train), or up to two full years. Sail any week from New York, Los Angeles or San Francisco... *for as little as \$654 First Class.*

*Get complete information from your own travel agent, or...*

# DOLLAR

## STEAMSHIP LINES

604 Fifth Ave., New York; 110 South Dearborn St., Chicago; 311 California St., San Francisco  
—and all other principal cities.

*When writing please mention Nation's Business*

coke on toilet floors and platforms, Presdwood, compressor motors, blower for motors, carburetors, condenser fan, blower for air conditioning, pressure switches, expansion valves.

Engineering and service features are further detailed in the use of air conditioning pipe and fittings, hoppers, folding washstands, soap dispensers, continuous towel cabinets, oil burning range and urn, buffet equipment and silverware, light weight dishes and tumblers, linen lunch cloths and cooking ware.

The New Haven's announcement of the building of 50 *de luxe* streamlined, air-conditioned coaches in gay colors with modern decorations gives fresh recognition to the evangels of industrial design. Practicalities, as well as esthetics, impel the company's decision. To quote John J. Pelley, president:

"The New Haven realizes the importance of comfort and pleasing appointments in coaches as a lure to win back the business lost to airplanes, buses and other forms of transportation.

"Because we want the new coaches to embody a close approximation of current consumer demand we have broken a tradition of the industry and have chosen a leading designer of consumer products to satisfy the public's desires in the new coaches.

"Walter Dorwin Teague, who will design the new coaches, is the dean of industrial and consumer product designers. The new cars will embody a maximum of comfort, suitability and design interest."

### Duplex sleeping cars

TRAVELLERS between New York and Washington have liberally patronized the two new duplex type Pullman sleeping cars, "Eventide" and "Nocturne," that have been operated on the Pennsylvania since May, 1933. At the beginning of the new year, the up-and-downstairs rooms had been used by 6,000 travellers.

About two years ago the Pullman Company placed on the rails the "Wanderer" and "Voyager," the first duplex

experiments. Each of these cars had four rooms—two up and two downstairs—at one end, the remainder of the space containing standard sections. These single bedrooms are equipped with long lateral lounge seats, the backs of which when turned over form spring-mattressed beds. Individual toilet facilities and regulation of heat, light and ventilation form a combination that appeals to travellers. These pioneer duplex cars have run in various sections of the East, and are now operated between Pittsburgh and Washington.

The 1933 cars have eight rooms on each tier, requiring a new type of exterior. Instead of the lateral lounge-bed, the standard section—minus the upper berth, of course—is used. Although the arrangement of the room is consequently altered, the passenger has the same comforts already indicated.

### A diner made for convenience

A PULLMAN restaurant car of new design is now running on the Big Four's "Sycamore" between Chicago and Indianapolis. Lacking the customary end vestibules, the "Toreador" has one vestibule in the center of the car.

The kitchen is at the head-end, next is the restaurant, seating 20 persons, then the vestibule, on the other side of which is the parlor, containing 12 movable chairs. The observation room seating 10, occupies the extreme rear end.

This unusual construction is particularly designed for daytime trains on which there is only one Pullman. The observation parlor is always at the rear of the train, the parlor passengers are separated by the vestibule from the restaurant and kitchen, but day coach passengers may enter the restaurant from the head end and without passing through the parlor sections.

A 50 per cent saving in passenger-car weight, without the sacrifice of essential strength or carrying capacity, is indicated in the latest Pullman contribution to better railroading. The idea was presented in two all-aluminum cars,



Electric trains will link New York, Philadelphia, Baltimore and Washington when the Pennsylvania completes its electrification program



# PART OF YOUR COMMUNITY



## The LOCAL AGENT OF STOCK COMPANY FIRE INSURANCE . . .

The Local Agent of Stock Fire Insurance Companies is worthy of his hire. He knows your community; he knows you; he knows property.

He is familiar with fire hazards and can help you safeguard your property so as to obtain the best rate of insurance.

The Local Agent gives valuable counsel and advice in writing insurance policies suited to your exact needs. In case of loss, he is right in your community, ready and willing to be of instant service to you. It is false economy to deprive yourself of the service he can give you.

As a physical part of your community, he is also an

economic part of it. He pays taxes, just as you do. He trades at your stores. He supports your religious and educational institutions. He shares your civic pride and co-operates in all your civic enterprises.

He is part of your community. And he is part of the same school of business economics that you are — the

school which believes in fair and reasonable profit for service well rendered.

The many services of the Local Agent of Stock Fire Insurance Companies are told in detail in the booklet, "Your Agent, and Your Friend". A copy will gladly be sent on request, without cost or obligation.

THE NATIONAL BOARD OF FIRE UNDERWRITERS • NEW YORK—65 JOHN STREET  
CHICAGO—222 WEST ADAMS STREET • SAN FRANCISCO—MERCHANTS EXCHANGE BUILDING  
A National Organization of Stock Fire Insurance Companies—Established in 1866

## STOCK COMPANY FIRE INSURANCE



is a dependable form of insurance, practically universal in its coverage, and consequently vital to the public interest and the social order. Stability and security and service are outstanding characteristics of stock company fire insurance, the exact cost of which is always

definitely known in advance to the policyholder, upon whom no assessment can ever be levied. Competent local agents are available everywhere for prompt and efficient service to the policyholder. Look on your policy for an imprint to show it is issued by a "Stock Company."





Mr. J. Rowland Brown, President, Reliance Gauge Column Company and the company's plant at Cleveland.



## "Iron Fireman is saving us \$1100 a year"

says J. Rowland Brown, President of the Reliance Gauge Column Co. of Cleveland



The \$1100 a year which Iron Fireman is saving this well known manufacturer of steam specialties represents an earning of 59% a year on their investment in Iron Fireman equipment.

That's what Iron Fireman automatic self-regulating coal firing can do for a boiler room. And this direct profit of 59% a year is not all. Uniform temperature, the elimination of smoking stacks, and the higher efficiency of the boilers when fired scientifically are all factors which make extra indirect profits.

The Reliance Gauge Column Company had an Iron Fireman survey and report and purchased after the facts had been laid before its officials. You can do the same. Ask for this free checkup. Get the facts and then decide. Iron Fireman Mfg. Company, Portland, Cleveland, Toronto.

The Iron Fireman installation at the Reliance Gauge Column Company (shown below), is in a 125 h.p. Erie City H.R.T. boiler carrying 100 pounds pressure for heat and stepped up to 200 pounds when steam is required for testing the company's products.

## IRON FIREMAN

AUTOMATIC *Self* COAL FIRING  
*Regulating*



IRON FIREMAN MFG. CO.  
3146 W. 106th Street, Cleveland, Ohio

☐ Please survey my heating plant.

☐ Home ☐ Business

☐ Send literature

Name.....

Address.....

City.....

State.....

exhibited at the Century of Progress Exposition. The larger of these cars is an 84-ft. observation-room car, designed jointly by the Pullman Company and the Pullman Car & Manufacturing Corporation, and intended for operation in regular main-line passenger-train service. The other is a 79-ft. observation coach, designed by the Pullman Car & Manufacturing Corporation for main-line service and particularly adapted, because of its light weight, to use as a motor-train trailer.

Both cars, built at the Pullman Car Works, Chicago, symbolize progress in industrial design and metal craftsmanship. These cars are equipped with the improved Pullman air-conditioning system; especially constructed to exclude dirt and dampen noise and vibration at all speeds. The observation ends are streamlined. Of these cars it was said that they "constitute, in effect, the third great stage in Pullman construction: Namely, wood, in 1859; steel, in 1907; and lighter cars of equivalent strength (in this instance, embodying aluminum construction) in 1933."

### Less weight in rolling stock

THE use of aluminum in railroad rolling stock construction is by no means an overnight development. In the early part of the twentieth century some aluminum was used in the construction of railroad passenger cars and electric street cars, but the uses were confined to such low stressed parts as the head lining, interior trim and inside finish. Shortly after the World War the railroads and the electric lines began to feel the need for lighter equipment and, as a result of this need, the first organized effort toward lightening railroad rolling stock with the use of aluminum came in 1923 when the Illinois Central System built 25 suburban trailer cars with aluminum applications. From this meager beginning in 1923 there has been a progressive development in the use of aluminum to decrease the dead weight of rail vehicles. First, the cars were built with aluminum applications; then came the all-aluminum car; and today, the full-panoplied all-aluminum train.

Another important development of the last few years is the electrical, mechanical, and steam air conditioning for passenger cars. Much of the pioneering experience was contributed by the Baltimore & Ohio working with the Carrier Engineering Corporation, the Chesapeake & Ohio, the Westinghouse Electric & Manufacturing Co., the Pullman Company and other companies manufacturing equipment in the ventilating and heat-transfer field. Despite the depression which has prevailed since the first air-conditioned diner on the B. & O. was placed in service in the summer of 1930, 404 cars and 244 Pullmans are now fitted with air-conditioning equip-

ment and 130 additional cars and 480 Pullmans are scheduled to be equipped in time for service this summer. By the end of the year it is expected that 2,200 passenger cars will be equipped with air-conditioning apparatus.

The next few years of railway operation are expected to disclose the relative merits of electrification as compared to air-conditioning in attracting passengers to the rails. One full-scale electrical demonstration will be provided by the Pennsylvania Railroad, which is embarked on a \$180,000,000 project including the lines between New York and Washington. The Pennsylvania has long been a leader in air cooling with ice.

### Small trains for passengers

THE Clark Autotram—a pioneer in modernization, with thousands of miles of service to its credit, demonstrated the inviting usefulness of a light weight gas-powered railway passenger vehicle.

Powered by a 16 cylinder gasoline motor, the Autotram is built of aluminum alloy and steel construction. Air-conditioning, low operating expense, and a modern and comfortable interior give it a natural emphasis in the railroads' effort toward passenger revival. Some observers profess to see an attempt to bring the old interurban plan of operation to the main lines of eastern systems.

"If it operates here as feasibly as similar ventures have in Germany," they point out, "service on the hour, the half, or the quarter hour, can easily supersede longer trains at less frequent intervals and eliminate loss through empty haulage."

The flexibility of the one car train is advantageous. Where articulated units are desired to replace present passenger trains, the basic design is readily adaptable.

A trend in that direction might be defined in the design of The Kalamazoo "Railcarbus" intended to enable small and branch line railroads to compete with highway transportation.

The "Railcarbus" is equipped with Firestone pneumatic rail tires, or the resilient type wheel which is equipped with a steel tire and cast steel center, having rubber cushions between the tire and the wheel center. The Firestone pneumatic rail tire is equipped with a safety core which is not in use when the tire is fully inflated. In case of a flat tire the load is carried on the ring, preventing the flange from "bottoming" in frogs or striking bolts at fish plates. The pneumatic rail tire and the rubberized flange produce virtually noiseless operation. The flange is composed of two separate metal parts firmly joined with rubber, thus eliminating noise and vibration.

Although the idea of cushioned wheels for use on rails dates from 1845, as pointed out by H. F. Schippel, tire de-



# Now, the question is ...

## "What *kind of rust-proof pipe?*"

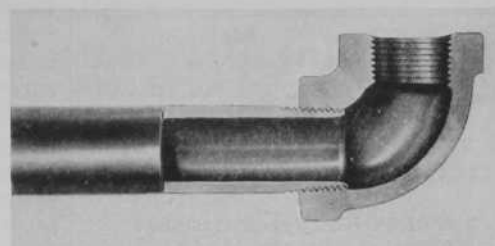
A FEW YEARS AGO the choice of pipe was between the rusting and non-rusting kind. But the expense for repairs and replacements which rust entailed led to the widespread acceptance of non-rusting pipe.

Since the economy of *rustless* plumbing was first accepted, The American Brass Company has consistently recommended Anaconda Brass Pipe of the correct alloy for local conditions. This recommendation is unchanged today, particularly since Anaconda "85" Red-Brass Pipe, containing 85% of copper, offers the greatest resistance to corrosion of any water pipe commercially obtainable at moderate cost.

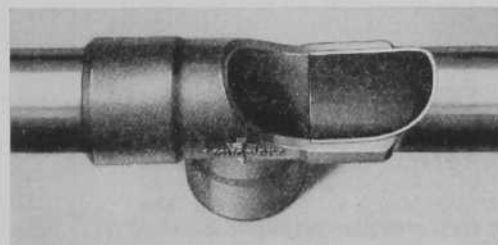
### *Copper Tubes . . . Threadless Connections*

In addition to brass pipe, Anaconda Copper Tubes are now available with a complete line of Anaconda Cast Bronze Fittings. These standard products are offered for underground service, as well as plumbing, heating and air-conditioning lines where low first cost is the influencing factor. Furnished hard in long lengths, and soft in coils; soft copper tubes may be bent for ordinary offsets, thus reducing the number of fittings required. And these tubes cost less per foot . . . because they do not require threading and may, therefore, be made lighter in weight than standard size pipe.

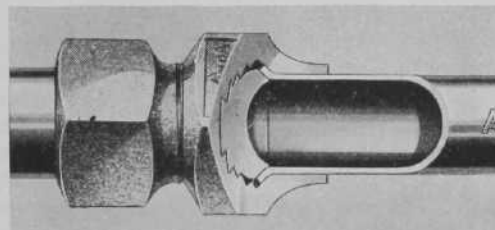
Our new booklet, "Anaconda Copper Tubes and Fittings", will be mailed on request.



Cut-away section showing a perfectly cut threaded assembly of Anaconda Brass Pipe with a correctly tapered screw fitting.



Completed joint of Anaconda Copper Tube and Anaconda "Solder" Fitting. Elimination of threading permits use of lighter weight pipe.



Illustrating another type of threadless connection for Anaconda Copper Tube. End of tube is flared and held tightly in the fitting by a compression nut.

## THE AMERICAN BRASS COMPANY

General Offices: Waterbury, Connecticut

Offices and Agencies in Principal Cities

In Canada: ANACONDA AMERICAN BRASS LTD., New Toronto, Ontario



# ANACONDA COPPER & BRASS

*When writing to the AMERICAN BRASS COMPANY please mention Nation's Business*



## Does paint reduce sound- absorbing efficiency?

### The vital test for all acoustical material

EVERYONE appreciates that quiet is a necessity for good working conditions. Not everyone realizes how easy it is to make a costly error in selecting the sound-absorbing material that is applied to walls and ceilings.

The important question to consider is: Will repeated painting lessen the effectiveness of the material?

This is important because during the life of a building walls and ceilings are painted many times. A coat of paint has been known to reduce an acoustical material to ordinary wall covering. The feature of greatest importance is—

#### Paintability

You have this feature to the greatest degree when you choose Acousti-Celotex. It may be painted repeatedly. Its effectiveness is permanent! An exclusive patented method makes it so.

Acousti-Celotex is easily, economically and quickly applied to existing walls and ceilings. The rectangular unit tiles lend themselves readily to attractive modern patterns. Paint or stencil if desired.

#### 6,000 Installations

There are more than 6,000 Acousti-Celotex installations in offices, banks, schools, theatres, hospitals and churches. Quiet pays.

#### Lower Costs

Acousti-Celotex prices are lower now. Check up costs with the Acousti-Celotex contracting engineer in your city, or write direct. This is repair and remodel time—the best time to correct acoustics in your office.

THE CELOTEX COMPANY  
919 No. Michigan Ave., Chicago, Illinois

PAINTABLE PERMANENT  
**ACOUSTI-CELOTEX**  
TRADE MARK REGISTERED U. S. PATENT OFFICE

When writing please mention Nation's Business

sign engineer of the B. F. Goodrich Company, a revival of interest is readily discernible among railroad managements. Three distinct developments are apparent in the research concerned with the resilient wheel—the rubber cushioned wheel, the solid rubber tire, and the pneumatic tire. It is reasonable to believe that the obvious concern of the railroads to keep abreast of the transportation styles will stimulate the production of tire specialties adapted to their individual requirements.

A development which has attracted a great deal of attention in the past two or three years is the Michelin scheme for using pneumatic tires on rails. This scheme, developed in France, was introduced into the United States by the Edward G. Budd Manufacturing Company and applied on a number of light-weight rail-motor cars of stainless steel construction. The rubber tire provides a means for cushioning all vibrations produced at the wheel and rail contact. Another scheme employing pneumatic tires is that of the Austro Daimler Company, introduced into this country by E. K. Howe & Sons. In this unit the rubber tire is enclosed within a steel tire, on the inside of which it rolls, the latter in turn maintaining the customary direct contact with the rail.

#### Rubber tires for easier riding

A RAIL coach tire produced by the Goodyear Tire & Rubber Company indicates the range of specialized equipment available to the designer of new transportation units. Intended for a six wheel truck, the Goodyear rail coach tire is constructed much the same as an automobile tire, equipped with a demountable wheel and rim. The wheel has a steel guiding flange to prevent the tire from leaving the rail.

Bolted to the center of the rim is an aluminum safety ring around which the tire is shaped to fit. A rubber flap surrounds the safety ring and the assembly is complete with a rubber inner tube which almost entirely surrounds the safety ring, and contains the air at 85 pounds pressure.

For several years the Baltimore & Ohio has employed rubber inserts at various points in the trucks on a number of its passenger cars. These inserts are used to insulate the car body from the high frequency vibrations which steel springs will not cushion and which cause the build-up of resonant noise within car bodies. Considerable interest is being shown in the use of rubber for this purpose. At present, however, it is too early to determine how far these developments will be applied.

Not all the gains in design are confined to passenger rolling stock. Fortunately for perishable goods and perishable tempers, something is being done about springs. For example, the "coil-

elliptic" spring group produced by American Steel Foundries, by controlling the up and down bolster movement, greatly reduces the usual wear on the side frame columns and bolster ends.

#### Smoother cars for freight

TRAINMEN and yardmen are vitally interested in the unnecessarily rough handling of railway equipment but they know that all damage to freight is not due to that cause. They have known about car floor vibration for many years. Members of the committee on Freight Claims Prevention have time and again called attention to the bouncing car, as one cause of damage to certain types of freight when traveling at high speed. Their records show that among the commodities most frequently damaged by vertical car oscillation are sacked goods, such as flour and sugar, fresh fruits and vegetables, fresh meat, live stock, enameled face brick, hollow tile and sewer pipe.

Just as better springing for freight carriers is immediately in view, it is also probable that container cars, such as the railroads have not utilized to the fullest extent heretofore, and other light weight freight equipment will provide fast, frequent freight service over the private highways of the rails as an effective means of meeting the new competition defined by the rapidly expanding use of motor trucks.

Taking a futuristic view of the situation of the railroads, it is readily apparent that, where competition declares itself most forcefully, there will develop the greatest need for change in the type and weight of equipment. The inroads of buses, private cars, planes and motor trucks dimension the opportunity of the railroads to advance their equipment with the aid of the new arts and the new materials available. Among the possibilities, now in part realized or projected on drafting boards, is the rehabilitation of branch line business through self-propelled rail cars, new in every detail.

Generally speaking, operating economy and efficiency ought to increase as weight is reduced. Experience will be reenforced as equipment goes into service. Day trains to shuttle between large centers of population can be designed with an individual character, and it is in this field that effective novelty is now arguing its own case with the eloquence of serviceable beauty.

Because hundreds of suppliers to the railroads are eager to extend railroad research; because the railroads realize the competitive situation demands change; because modernization has become an economic necessity; because the Government makes financing easy—for all these reasons it is logical to expect increasing activity in the railroad field and in all industries serving the railroads.—R. C. W.



# What the AAA Is Doing

By D. L. JAMES Manager, Agricultural Service Dept., U. S. Chamber of Commerce

★ THE Agricultural Adjustment Administration was born a year ago this month. Its purpose was to end the disparity between the prices of farm products and the prices of things farmers bought. There seemed to be no doubt that such a disparity existed.

In 1929, at the crest of the business cycle, farm products purchased only 91 per cent as much of other products as they purchased in the pre-war period. By 1933, the figure had fallen to 50 per cent of the pre-war average.

As a result, farmers found it impossible to pay their debts or make new purchases, thus decreasing the market for manufactured products. This meant urban unemployment and a still smaller market for farm products. These last accumulated in a rapidly growing surplus as farmers attempted to increase their shrinking incomes by increasing their production.

Against this surplus the Agricultural Adjustment Administration launched an indirect attack which has now been going on for 12 months. Since all men must eat, it is likely that this attack has had some effect on everybody in the country. It should be interesting to see just what this effect has been. What has been done for the farmer, for the consumer, for prices?

These questions can best be answered by examining the cases of some of the major crops which the AAA has undertaken to stabilize. In the case of cotton, for instance, or wheat, or hogs, how does the situation today compare with the situation a year ago? Has the AAA attained the objective it set itself a year ago?

## I. Cotton

THAT objective, in the case of cotton, was the elimination of 3,000,000 bales from the growing crop and, consequently, from the surplus, which in the 1932-33 season had reached 13,000,000 bales. Some three years earlier the carryover had been less than 5,000,000 bales.

At least part of this increase was due to a decreasing market. According to government figures, world consumption of American cotton fell in 1929-30 to

13,000,000 bales, as compared with more than 15,000,000 bales in each of the preceding three years. Home consumption dropped from about 7,000,000 bales to about 5,000,000 bales in 1930-31 and 1931-32. Prices had fallen from an average of 18 cents a pound in 1928-29 to 5.6 cents in January, 1933. In terms of income to cotton farmers this meant a drop of from \$1,470,000,000 in 1928-29 to \$431,000,000 in 1932-33, or from about \$738 to \$216 per farm family. Moreover, the growing crop promised to be unusually good, which would mean an even greater weight of carryover. To prevent this further glut an acreage-reduction plan was proposed.

Although cotton yields have fluctuated considerably in recent years, it was generally agreed that acreage was the dominant factor over a long period. Government figures showed that, in the years 1898 to 1902, the United States produced an average of 10,177,000 bales of cotton on 25,675,000 acres. In the years 1927 to 1931 the annual crop averaged about 14,661,000 bales and acreage had increased to 41,036,000. The proposal was to take 10,000,000 acres, or about 25 per cent, of this land out of cultivation.

Such an action, of course, would not affect foreign production but, as the largest source of cotton, the United States has a controlling influence on the supply and demand situation. Moreover, foreign countries are not well adapted to increase quickly production and, even if they were, the large carryovers were expected to prevent world price increases which would make expansion worth their while.

A further safeguard was that although, under the plan, American cotton consumers would be paying the market price plus a processing tax, the processing tax would not apply on the export portion of the crop.

Accordingly, after interviews with hundreds of farmers in the Cotton Belt, a schedule was worked out under which the Administration agreed to make payments based on the number of acres and the prospective yield of cotton to farmers who would plow under a portion of their crop. The plan was designed so that growers who cooperated with the Government would receive

somewhat more than the value of the cotton they would have raised, thus assuring them a slight advantage over those who did not participate. It was estimated that payments would total approximately \$110,000,000.

Under these terms approximately 10,400,000 acres of cotton, or about 25.5 per cent of the planted acreage was taken out of production.

Actual production from the remaining acreage, estimated by the Crop Reporting Board as of December 1, was 13,177,000 bales. Extremely favorable weather conditions were the major factor in this large yield, as the crop was too far advanced when the reduction campaign began to be affected by improved production methods or addition of fertilizer.

Had no curtailment taken place, it is estimated that 17,600,000 bales would have been produced. Thus the reduction in production was also about 25 per cent.

Funds for paying growers who cooperated were obtained from a processing tax of 4.2 cents a pound on all cotton used in domestic consumption, a compensating tax on imported articles made from cotton, and a tax on certain articles of domestic manufacture which compete with cotton products—such as paper and jute. Revenue from these sources, after allowing for certain refunds provided in the Act, is expected to be about \$116,000,000.

In the meantime, producers have been receiving better prices. Cotton, which ranged from 5.5 to 6.1 cents a pound from January to April, 1933, climbed to 10.6 cents in July. In August and September it fell to 8.8 but was back at 9.6 cents in November and December. Since the processing tax was established, prices to producers have been higher than in any month in the past two years except July, 1933.

Encouraged by results so far, the Administration is going ahead with acreage reduction plans for the present crop and, if necessary, for next year. This step is considered necessary in view of the fact that the cotton supply is excessive and prices are low.

For this year a reduction to 25,000,000 planted acres is contemplated, with the contracts designating the number of



acres on each farm which may be planted to cotton. In no case will farmers be permitted to raise other crops for sale on the acres under contract to the Government.

To insure universal cooperation by growers, Congress has passed the Bankhead Bill, limiting the amount of this year's cotton which can be ginned free of tax to 10,000,000 bales. Additional bales will be taxed at least 50 per cent of market value.

## II. Hogs and Corn

ALTHOUGH the cotton acreage-reduction plan was the first to be put into effect, study of the hog situation began almost simultaneously. However, because of its complexity, a program was not announced until last August. Here, too, the effort was to reduce production, but with hogs this presents a double-barrelled problem since corn production must also be reduced to prevent a surplus of that grain.

The first step in the program was an emergency hog-buying campaign under which the Administration announced that it would pay premium prices for 6,000,000 pigs weighing less than 100 pounds and for 1,000,000 sows about to farrow. Any farmer could sell all the pigs he wished but precautions were taken to prevent speculation.

In this campaign farmers sold 6,188,000 pigs and 222,000 sows for which they received \$31,000,000. The total cost of the campaign to the Government was some \$3,000,000 greater, processing, storing and distributing charges resulting in the additional expense, all of which is to be met by the processing tax.

The animals were processed by packers under contract with the Administration. The meat was used for relief purposes. Pigs under 80 pounds were tanked.

In a more ambitious corn and hog program for this year, the Administration has asked 1,500,000 hog producers to sign contracts to reduce their production of hogs 25 per cent and their corn acreage 20 per cent under the average of 1932-33. Those signing the contracts will be paid a rental on the acreage not used and a benefit for the hogs not raised.

The program is expected to cost about \$350,000,000 to be raised by a processing tax on hogs which went into effect last November.

To stimulate farm purchasing power, also supplement the reduction program, the AAA last October offered signers loans on corn properly warehoused and sealed. Under this plan loans aggregating \$115,000,000 have been made on approximately 260,000,000 bushels.

The results of the hog-buying campaign on prices are more or less in dispute. When the campaign was announced last August, prices at Chicago

averaged about \$4.24 per hundred-weight. When this year's program for reducing production was announced, they advanced to more than \$5. Then they declined, going below \$3.25 in December. Packers blamed the processing taxes. Today prices are back to about \$4.

## III. Wheat

SINCE unfavorable weather conditions promised to reduce the 1933 wheat crop to the lowest figure since 1894, and since a large portion of the crop was almost ready for harvest when the Agricultural Adjustment Act was passed, the Agricultural Adjustment Administration did not consider it desirable to attempt a plow-up campaign for the 1933 crop.

The Administration did take steps to reduce this year's wheat acreage, however. In line with the International Wheat Agreement, signed by the principal wheat-exporting nations in August, 1933, the Administration announced a program for reducing the 1934 and 1935 acreage 15 per cent under the average acreage planted for harvest in 1930, 1931 and 1932. In return for agreements to reduce wheat acreage, the Secretary of Agriculture contracted to pay benefits on the domestically consumed portion (54 per cent) of the producer's average production for the years 1928 to 1932, the first payment of 20 cents a bushel to be made after September 15, 1933, and the second of eight cents about June 30, 1934, upon proof of compliance with the contract. Payments to growers to March 15 totaled \$61,771,453. Checks averaging \$827.50 had been mailed to 746,476 producers.

Figures are available only for the reduction in the planted acreage of winter wheat, as spring wheat is not yet planted. The Department of Agriculture's estimate of winter wheat seeded in the fall of 1933, for harvest in 1934, shows a reduction of 3,188,000 acres, or 7.2 per cent from the base period 1930-32—about one-half of the goal. The reduction in the important wheat-producing states was greater than this, but in some eastern and southern states, where wheat is a minor farm enterprise, the acreage actually was increased.

Farmers' intentions to plant spring wheat indicate a planted spring wheat acreage this year about 15 per cent less than last year, but the figures for the two years are not on an exactly comparable basis.

Since there was an unusually large abandonment of both winter and spring wheat acreage, and an unprecedented low wheat yield in 1933, the wheat crop is likely to be larger this year than last, in spite of the acreage-reduction campaign. This does not mean that the campaign has failed; production probably would have been greater had there been no such campaign.

The total cost of the wheat campaign for the current crop year is expected to be \$95,000,000. The wheat campaign is being financed by a processing tax of 30 cents a bushel on all wheat milled for human food for domestic consumption. The tax became effective last July. It is expected to produce \$108,000,000 in revenue by the end of the crop year.

When the Agricultural Adjustment Act was passed, the price of wheat at Chicago was 75 cents a bushel. On June 16, when the wheat-control plan was announced, it still was about 75 cents. By July 18 it had advanced to \$1.15, but from that point declined, dipping below 70 cents in mid-October. Wheat prices have recovered considerably with the devaluation of the dollar, and have ranged generally between 80 and 90 cents at Chicago for several months. According to the Agricultural Adjustment Administration, the farm income from wheat in 1934 will be approximately \$396,000,000, compared with \$169,000,000 in 1932-33.

Flour prices have advanced since the processing tax was imposed and labor was increased on account of NRA. On July 7, just before the processing tax became effective, spring patent flour in New York sold for \$5.90 to \$6.20 a barrel. Current prices, with wheat cheaper, range from \$6.45 to \$6.90 for the same grades. Apparently the full amount of the processing tax has been passed onto buyers of mill products. Agricultural Adjustment Administration figures show that the average retail price of bread has advanced more in the past year than the cost of ingredients. The domestic price of wheat is higher in relation to the world price than a year ago.

This seems to indicate that the processing tax increased prices to domestic consumers of wheat. This also seems to be true with cotton. With hogs, it is apparent that the producer will first feel the effects of the tax although those who cooperate will receive benefit payments which should more than compensate for the early expense.

Revenue from these taxes, as reported to the Agricultural Adjustment Administration by the Bureau of Internal Revenue, totalled \$216,778,000 by March 1. That was 53 per cent of the \$403,000,000 estimated to be necessary to cover expenditures up to June 30 of this year. Total costs for the period will be \$859,350,000 according to latest revised estimates. Tax collections for that period are estimated at \$863,595,000, which includes revenue from processing and compensatory taxes. However, it was recognized at the outset that disbursements would sometimes exceed the monthly tax revenue because payments are made in large amounts while the processing taxes will be collected over a two-year period. Revenue from these taxes is expected to meet all payments to producers.



# Aerate the Business Before It Dies

By FRANK H. JOHNSTON President, Acme Card System Company

★ TWO YEARS ago while changing trains in a central Pennsylvania town, I noticed the expressmen unload a shipment of fingerling trout from the state hatchery. As soon as the milk cans containing the small trout were taken from the train, the attendants began dipping up the water in the can, raising the dipper several feet and pouring the water back in the cans.

I asked why. They explained that they were aerating the water to keep the trout alive—that by pouring this water through the air revitalized it and was better than putting in fresh water.

The incident remained in my mind even after I had returned to my desk at Chicago. I began to wonder if some of the water in my business pool was not getting stagnant. Had I in my talks with my employees so overemphasized the necessity for cutting costs that we had failed not only to add fresh water in the past three years but had not had enough aeration?

The incident "went home" when I employed a new department head. One morning he brought me a suggestion for improving our production. His plan called for an investment of about \$3,500. Because he could show a reasonable possibility of this investment yielding a return of perhaps 20 per cent, his plan was immediately adopted.

His recommendations proved to be sound. Since then he has brought in other ideas, which were also approved. Altogether we have invested something more than \$11,000 in new equipment based on this man's ideas for improving our product and reducing our costs.

In flush times this alertness of an employee would be common. Today I notice too many key men are still afraid to offer an idea that involves spending money. I wonder if their experience of the past 18 months or two years in trying to save money hasn't stopped their thinking until they are in danger of stagnation.

Nothing is so deadly for a business as indifference to new ideas from employees who have the viewpoint of their management. If aerating a business will help this, it is now much in order.

MANY businesses today face the problem of making profits out of smaller volume, reduced expenses and shorter hours. Here is one man's view of a way in which this difficulty can be met and overcome

The man who came in from the outside had only one thought—to handle his department effectively. He had no background that afflicted him with negatives or repressions. He felt that he was on trial to show results. He assumed that my business was solvent, and that I was open-minded and progressive. He acted accordingly.

The man thinks as I do which today is frankly "where can we use our capital or credit to make a profit?" I value loyalty and the man who plugs along, but I also want new ideas even if they cost money to put them into practice.

Too many office employees, like too many salesmen, are still sold on the depression.

"The Old Man has carried us when business was bad," they say, "why ask him to spend money now when we can manage to get along?"

## Capital seeks work

THEY are wrong. In these days of reconstruction it's *capital* that seeks employment as well as labor and the owner of a business knows this.

Possibly owners themselves are to blame because employees do not sense their viewpoint. I know of organizations in which management reiterated the necessity of reducing expenses. Development work was abandoned. Fruitful new territories were neglected. Salaries were cut. It's only human for the man down the line to interpret this finally in one simple dictum, "Hang on to the cash."

My new executive doubtless had similar experiences in his previous connection. But he managed to shed his doubts and misgivings and pessimism when he came to me. I have made up

my mind that I'll at least try to inculcate in my older executives something of his attitude.

First, I am going to try to discover what independent study each man is making of his department beyond his supervision and management of routine operation. I intend digging into their reading of trade publications. In many of these they must get new ideas, or at least find articles that have practical application.

I think such study, when it leads to even one new concept of their work, will prove profitable.

Owners should know how much attention employees pay to advertising of equipment applicable to their departments. By advertising I mean direct mail letters and broadsides as well as national publications. I was a little surprised to learn that most of the ideas presented by my new man had their origin in advertising.

As a user of advertising—and an employer of salesmen—I know that an advertisement is but part of a business message. The major part is told by the salesman. Companies with money to spend for advertising usually have something back of the statements they make in advertising space. The advertisement itself is but an offer of service. Answering an advertisement opens the door for new ideas for a prospective customer—ideas that cut costs and build profits.

I wouldn't give much for the job of any man who is afraid to see a salesman or answer an advertisement because he thinks "the Old Man doesn't want to spend money." Such an employee is not in tune with what owners think.

Owners face the problem of making profits on a smaller volume. Methods and routine that were good enough two or more years ago may be entirely out of place today. Profits may have to come out of reduced expenses. More will have to be accomplished in short working hours. Alertness on the part of employees in touch with the daily activities of a business are going to make these savings possible. Judging from my own experience I sometimes wonder if the new employee is not more alive to this situation because his mind has been aerated by outside contacts.





**FIVE** to send the coupon; ten to read the simple, clear, untechnical story of life insurance and what it can do for you in our booklet which answers important questions.

You'll find it well worth fifteen minutes of your time. May we send your copy?



JOHN HANCOCK INQUIRY BUREAU  
197 Clarendon Street, Boston, Mass.

Please send me your booklet about the many uses of life insurance.

Name .....

Street and No. ....

City ..... State .....

N.B. 5-34

★ ★ ★ ★ ★ ★ ★ ★ ★ ★  
**When a Great Industrial  
Leader Requested  
a Report on Our Work**

a few days ago, we wrote him in part "What is the distinctive feature of World Peaceways? *It believes that Business—organized for the purpose—can wipe out War.* It doubts that altruists, educators, clergymen, diplomats or well-intentioned elderly ladies will ever achieve it."

There are three basic causes of war: psychological, political and economic. Hence all effort is of some value. For our part we believe that a great international advertising campaign will achieve results. We are giving practical expression to Bruce Barton's plan outlined in "Let's Advertise this Hell". We're publishing full page propaganda ads in nearly 100 magazines. We are making international contacts with the same end in view. Write us for information.

**WORLD PEACEWAYS**

103 Park Ave., New York City

★ ★ ★ ★ ★ ★ ★ ★ ★ ★

## The A. F. of L. and the NRA

(Continued from page 46)

thousands of others were quickly convinced that it was their patriotic duty to do so, just as it was their duty to paste the Blue Eagle on the windshields of their automobiles.

Then, standing before the Federation Convention in Washington, Mr. Green described his long-cherished dream that had now become a definite goal:

"I am going to express my opinion again," he said. "I am of the opinion

ship drive in its history. A staff of general and district organizers operating in every sizable town in the land was increased from 1,400 to 2,000. Although these organizers are supported largely by local, national, and international unions, they received piece-work pay from the American Federation at the rate of \$30 for each new A. F. of L. charter that was issued through their efforts.

At the same time, a staff of 18 paid

READERS will recall these excerpts from an authorized interview with William Green which appeared in *Nation's Business* for February, 1933. They should be read again in the light of current news:

We do not want battle. We prefer peace. And if the great employing interests of the nation, the great financial barons who rule so much of industry—those who have authority—will sit with us tomorrow in a great national conference in which all shall be determined to agree upon that which is, in the common judgment, best for America, we will withdraw every utterance of militancy. We will command no mobilization, we will perfect no plans for combat. I can with authority and assurance say that for all labor.

I said in Cincinnati, speaking of the work-week of 30 hours, that "this great reform will be given to us in response to reason, or we will take it through force of some kind."

I said also that "we shall fight, not with physical violence, but with our economic strength" and I said that "so far as I am concerned, I shall arouse the fighting spirit of the men of labor."

In Cincinnati I said that we would select "those who are most ready to fight, we will make them the spearhead in this effort, we will draw the line of battle and we will carry the struggle to the door of industry and of management, until the battle is won."

We shall fight. We shall choose our weapons and our time. We shall determine our tactics. Our opponents did not consult us as to time or tactics when they reduced wages and threw millions into the street. Today we consult only workers and we plan to keep our own counsel.

that the time has arrived when the success of the Industrial Recovery Act requires unionization—the complete unionization—of all the workers in every trade and in every calling in every city and town of the nation."

It was with this aim in mind, then, that the American Federation of Labor launched the most intensive member-

organizers maintained directly by the A. F. of L. was increased to 33, these men receiving a flat salary of \$60 a week plus \$8 a day for expenses.

By October, Mr. Green reported that a million and a half new members had been enrolled, and Mr. Morrison predicted that gains in the present year would surpass all records



"in numbers, intensity and duration."  
The Executive Council declared:

We have concentrated our efforts more especially upon organizing the workers in the basic industries; that is, steel, automobiles, textiles, oil and rubber. To the fullest extent of the Federation's financial ability organizing campaigns in these centers have been aggressively carried on. . . .

We have established organizing headquarters in the center of the automobile industry, Detroit, with a special representative of the American Federation of Labor in charge to direct the organizing campaign.

In Atlanta, Ga., another special representative is devoting his full time to the campaign of organization among workers in the southern states, particularly the textile workers.

In the rubber industry in the city of Akron, the Federation's special representative is carrying on an active and aggressive campaign.

In the iron and steel districts we are likewise actively engaged. . . .

From organizers at key positions from the Atlantic to the Pacific came reports listing an endless succession of new unions that they had helped to create, and with these reports came the almost universal observation:

"The NRA has made our job a lot easier."

The organizers were competent and efficient. At best they were high-powered salesmen of unionism applying high pressure methods, distributing pamphlets wholesale, and engaging the workers in conversations, sympathizing with their grievances, promising higher wages and shorter hours and, above all, stressing the need for organization under this new law that was to put labor on a bargaining parity with capital.

#### No restraint on officers

AS the subtlety of their arguments decreased in degree, their efficacy increased, and as might have been expected in an organization which, in its local, national and international branches, functions under the direction of some 400,000 officers, the methods employed in some cases were not above reproach. Industrialists charged that tactics ranging from mild coercion to downright racketeering were employed, but against these methods the A. F. of L. exerted nothing substantial in the way of restraint.

It continued, instead, to concentrate its attention on further increasing its membership. The methods employed thus far had brought results, but it determined to press its efforts still more vigorously.

To this end the officers of international and national unions met in conference with the Executive Council of the American Federation of Labor in Washington on January 25, and adopted a new and enlarged plan of organiza-

## TO A MANUFACTURER PLANNING TO BRANCH OUT IN *New England*



We have an unusually attractive proposition to offer you from the standpoint of desirable location at low overhead—either on long or short term basis.

*Boston Wharf* is the most centrally located industrial property in New England. Over 100 tenants representing 29 different industries find it the most profitable . . . Only ten minutes from the heart of Boston, two minutes from South Station. Adjoins terminal yards of New Haven and Boston & Albany railroads. Miles of spur track. Ninety buildings . . . Plenty of

land for new construction, if necessary. Yet rents, insurance and other overhead charges are surprisingly low.

Write us about your situation. We shall be glad to advise as to present outlook in this market of 8,000,000 buyers. Also clip coupon for 16-page descriptive booklet.



## BOSTON WHARF COMPANY

Industrial Service Department—NBY

BOSTON WHARF COMPANY, 259 Summer Street, Boston, Mass.

Please send me your 16-page booklet describing the *Boston Wharf* property and its advantages.

Name \_\_\_\_\_ Position \_\_\_\_\_

Company and Address \_\_\_\_\_

When writing to BOSTON WHARF COMPANY please mention *Nation's Business*





## PERHAPS *You* KNOW These People

*Commercial Credit Company purchases open accounts receivable, notes, and instalment lien obligations from responsible Manufacturers, Distributors and Dealers. Financing plans are provided to cover the time payment sale of automobiles, refrigerators, oil burners, machinery and equipment, air conditioning units, heating plants, store and office fixtures, boats, and a score of other such broad classifications, including hundreds of individual products. The service is national in scope, yet completely local through one hundred and twenty-five offices located in the principal cities of the United States and Canada.*

**T**HEY were married about ten years ago. The girls in the office showered Edna. The boss gave her a check. Gordon had a little money in the bank, a steady job and a heritage of industry and thrift.

Their wedding created no splash in the social pool. It was only the modest beginning of an average American family. Just average. But millions of such families keep America's industries alive. They buy the motor cars, refrigerators, oil and gas burners and other household equipment whose manufacture gives employment and income to millions of their fellow citizens. They don't buy outright. They pay as they use. They need credit—and time. They are the blades of a power wheel, dipping into a stream of credit. As each blade adds its impetus, around goes the wheel of business—faster and *faster*.

Commercial Credit's budget-buying system was created to serve these millions, as well as to serve the manufacturers who make, and the merchants who sell, the products they want. This year, with employment increasing, fair deferred payment plans will invite buying. Distributors and dealers who provide the best credit facilities will reap the profitable harvest.

Commercial Credit Company was a pioneer in time payment financing. Founded in 1912 with a capital of \$300,000, its growth has been regular and healthy. In the past twelve months, it financed sales of more than \$250,000,000. Its purchases are based on character and ability to pay. Its charges for services are reasonable and fair. Buyers are not permitted to buy beyond their means. Collections are carefully supervised to protect both the buyer's equity and the seller's interest. Every precaution is taken to avert loss to either party. Commercial Credit Company's successful administration releases a great buying power for the upbuilding of America's business.

## COMMERCIAL CREDIT COMPANY

COMMERCIAL BANKERS



Headquarters BALTIMORE

CONSOLIDATED CAPITAL

AND SURPLUS \$39,000,000

Wherever You Are • Whatever You Make, Sell or Buy • Use Commercial Credit Service

When writing to COMMERCIAL CREDIT COMPANY please mention Nation's Business

tion, including, among others, this resolution:

That the officers of the A. F. of L. arrange for mass meetings of wage earners throughout the land and that all local unions be called upon to cooperate in calling and arranging for these mass meetings; that the officers of the A. F. of L. likewise undertake to train and arrange for speakers at these and other meetings; that both the press and radio be used to the fullest possible extent, and that every other means available be used to further the spirit of organization and promote the formation of trade unions among wage earners throughout the land.

Today as a result of all these efforts, the American Federation of Labor has come back—back to its war-time peak. Only its officials know exactly to what extent it has prospered under the NRA and they refuse to tell. The reputed membership on August 1, 1933 was 2,126,796. Jett Lauck, who has been an economist for labor unions, reports in an article on "Social Change and the New Deal" that membership had gone up by 1,800,000 by October 1. They decline to say how many new craft locals have been affiliated as a result of their efforts with national and international unions, but they declare, at this writing, that 1,125 new "federal" unions, directly affiliated with the A. F. of L., have been organized since July 3.

Again they refuse to reveal the membership in these new federal unions, but from reliable sources we learn that the number is about 325,000.

### Enjoys tax exemption

JUST what all this means to the American Federation becomes considerably clearer when financial considerations are taken into account. Although the Federation ranks with benevolent and fraternal organizations in being exempted from the income tax, it is, in its operation and its needs, a strictly business organization, as the following statement by Frank Morrison in an article recently published indicates:

"Workers," wrote Mr. Morrison, "should appreciate the importance of paying a substantial rate of dues to their union, making a financial sacrifice if necessary for this purpose. The union will reflect exactly the interest and support extended to it by the members."

That was written shortly after the appearance of the Federation's annual report which showed that the workers had paid to it in the form of *per capita* taxes and initiation fees last year only slightly more than \$300,000. This year, the A. F. of L. is, by comparison, rolling in wealth.

From each member of a national or international union it receives a tax of one cent a month, and with an estimated membership of 3,800,000 under this head, that would mean an income of



\$456,000 a year. That is only the beginning.

From each of the 325,000 new members in federal trade unions, it receives 35 cents a month, plus at least \$1 in initiation fees, not to mention its \$15 fee for each of the 1,125 new charters issued. These members will, it is estimated, enrich the coffers of the Federation at the rate of \$1,700,000 during the first year.

The total annual income from these *per capita* taxes, therefore, should amount, on the basis of present returns, to about \$2,100,000, or approximately seven times as much as last year.

In the narrower sense this may mean the restoration of the pay cut suffered by Mr. Green and Mr. Morrison, as well as an increase in the salary of employees of the organization. In its vitally important sense, however, it means the opening of vast new reservoirs of power for the American Federation of Labor.

It may now spend \$70,000 to influence legislation where it only spent \$10,000 last year. It may now have \$700,000 for its organizers, to whom it could only pay \$100,000 last year. It may increase its defense fund—out of which it finances strikes—from \$333,000 to more than \$800,000. In short it is more firmly entrenched and better prepared for a struggle against capital than it has been at any time in 20 years.

### The forces close in

THAT struggle has come. It is evidenced on all sides by strikes and labor disputes. It is evidenced by the fact that industrialists have enlisted more than 1,000,000 men in company unions in an attempt to protect themselves against the increased A. F. of L. activities. On the other hand it is evidenced by the fact that unions, through the National Labor Board have forced elections in 240 cases, and in two-thirds of these have won, through the support of the Federal Government, the right to represent all the men who voted in the election whether or not they voted for the union.

The decision in this struggle now rests, it seems, squarely with the Government of the United States. Were the Wagner industrial disputes bill, as originally introduced, to have been passed and approved by the President, there is little doubt that the visionary goal of Mr. Green would have been quickly attained, for that bill was much more one-sided than the original Section 7a of the NIRA.

It listed as criminal offenses six specific practices through which employers might resist union organization of their men. It failed to curb any practices now employed by unions in effecting organization. It outlawed the company union but not the closed shop. It failed to provide for representation of minority groups in collective bargaining practices.

# Deceased geese can't lay golden eggs



Statistics show that 43% of all businesses that burn fail to resume. They are DEAD. Deceased business can't produce profits!

NO enterprising business can afford Fire today...your employees can't afford it...your community can't afford it...YOU can't afford it. FIRE may mean lost customers—they're hard to get back...lost records—often irreplaceable...and a score of other fire losses that spell "FINIS" for many businesses.

Don't let fire get a foothold...wherever there are combustible materials there is food for fire. Half-measures of protection are wrong...watchmen are human; unforeseen hazards nullify ordinary protective systems.

The one intelligent and complete safeguard is adequate insurance PLUS A.D.T. Electric Protection. A.D.T. provides constant vigilance; proper maintenance of protective measures; instant detection of fire; speedy and accurate alarms—and an outside organization that looks after your interests in every emergency.

We invite executives to investigate A.D.T. Electric Protection against Fire and Theft. This modern method of protecting property makes it possible to rearrange existing protective measures so that large economies often are effected. This nation-wide protection service is available in all large cities and their surrounding territories.

CONTROLLED COMPANIES OF

AMERICAN DISTRICT TELEGRAPH CO.  
155 SIXTH AVENUE - - NEW YORK, N. Y.

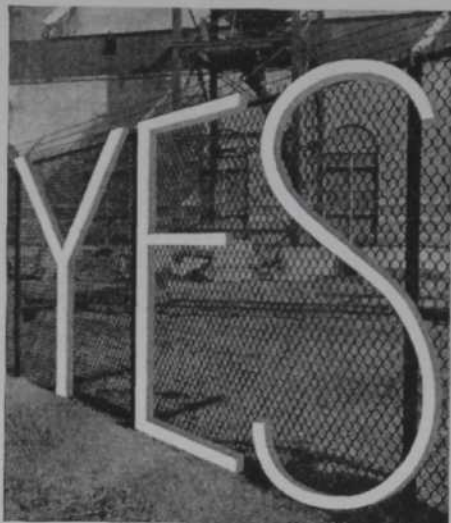
Offices in all principal cities in the U. S.

**FIRE** → **A.D.T. SYSTEM** → **THEFT**  
*Electric*  
**PROTECTION**

When writing to AMERICAN DISTRICT TELEGRAPH COMPANY please mention Nation's Business



# PROTECTED?



by Cyclone

**M**ADE SAFE by the company which has for forty-seven years been first with practically every improvement in Chain Link Construction. **SURROUNDED** by Cyclone Chain Link Fence, every part of which is controlled from ore to finished product by this one company. **PROTECTED** by the factory which has developed a super service in advising on any kind of fence problem and throughout these forty-seven years has worked on a guarantee of customer satisfaction.

But aside from these features which have given it leadership, Cyclone Fence provides protection at a surprisingly low cost per year. A cost which is very low compared with the cost of a robbery, a fire started by some vagrant, loss of time through unwelcome visitors, waste of property through pilfering, damage due to riots or strikes, or loss of cash which may go into a damage suit if an outsider is injured on your grounds.

Your property needs Cyclone Fence protection. An accurate estimate will be furnished without obligation. Address Dept. NB.

## Cyclone Fence

Cyclone Fence Company

General Offices: Waukegan, Illinois  
SUBSIDIARY OF UNITED STATES STEEL CORPORATION  
BRANCHES IN PRINCIPAL CITIES



Pacific Coast Division:  
Standard Fence Company  
Oakland, Cal.

Cyclone—not a "type" of fence,  
but fence made exclusively by  
Cyclone Fence Company and  
identified by this trade-mark.



In short, its critics charged, it turned industry, lock, stock and barrel, over to the American Federation of Labor.

Had the President not intervened in the automotive strike in March, that bill might have been passed exactly as it was introduced, but the President, in the agreement worked out at the White House on that occasion, laid down a new formula covering disputes between labor and capital.

As it has since been interpreted, that formula envisions a new order wherein the employee will have an absolutely free choice in the matter of selecting someone to represent him in the processes of collective bargaining. The company-dominated union would be barred, but an independent company union, organized and run by the employees themselves, would not.

Moreover, each minority group of employees would be entitled to choose its own representatives so that within a single company representatives of an A. F. of L. union might sit with representatives of an independent union on a council to bargain with the employer.

Such an arrangement, too, it would appear, would bar the "closed shop," save where the employees voted unanimously for A. F. of L. representation.

Under such a plan, the employee would have a real choice, instead of hav-

ing to choose, as he often does today, between the A. F. of L. and a company-dominated union in which, in reality, he is not represented at all. Under such a plan, too, the A. F. of L. would face competition of a kind that it has never known before, and would have, in all probability, to purge itself of many of the evils which it now is too loosely organized to combat.

Under such a plan, Mr. Green's dream would never be realized, but the A. F. of L. would enjoy a permanent and reasonably stable place in the industrial life of the nation.

In the absence of a definite governmental policy along some such lines as these, however, labor difficulties must necessarily continue to grow. Left to pursue their present wayward course, it appears, the Government soon will be impelled to take over the A. F. of L. or the A. F. of L. will virtually take over the Government.

Extreme as that statement may appear, political leaders already realize that a great deal more than mere industrial or capitalistic security is at stake because, were Mr. Green's dream to materialize and were 20,000,000 workers to rally to the standard of the A. F. of L., the corruption of the Federation into a Labor party more powerful than either of the two major political parties would be only a matter of time.

## Inflation and Your Business

(Continued from page 15)

weakened by inflation through the difficulties of a stabilization period when hedges both in materials and shares are thrown overboard and business comes to a temporary standstill.

The early financial picture, I believe, shows that, in bare figures, Germany should have had better control of her currency than France. It simply means that once started no one can tell where it will go. That applies to us as well as to Germany.

There is only one real answer to the whole problem, and that is never to start an inflationary program. At best, in theory it can only postpone—never correct—a bad business situation. If liquidation is the ultimate answer then, unless one is willing to inflate indefinitely, that liquidation is only postponed. In practice, if we can judge from the great numbers of examples in the world's history, currency inflation has left nothing but misery and bankruptcy behind. It constructively corrected nothing.

On the best authority I was informed that probably not more than a half dozen people in Germany saw where that country was headed when the mark

had lost 90 per cent of its value in the foreign exchange market; probably not more than twice as many people appreciated the situation when it had lost 95 per cent, and the mass of the people did not sense it when the mark had lost 99 per cent.

The foremost French bankers believed the franc would stop at a 50 per cent devaluation. It lost 85 per cent at one time, and was stabilized at 20 per cent of its pre-war value.

It is not surprising that, with our provincialism, more of us do not realize where we are headed. Personally I think unless America awakens quickly we will see at least a ten per cent dollar by 1936. The attractiveness of taking a profit by writing up the price tag must be reckoned with.

Pressure must be brought to get our national and local budgets into balance by more efficient management of relief and by more careful scrutiny of our many expenditures, loans and guarantees.

A further tightening up of the belt is needed on the part of all. When the budget is brought to an actual balance, a sane and sensible monetary policy can be put into practice and aid us in getting back on our feet.





Because you need

**WHAT**

you need

**WHEN**

you need it

● Getting your cans on time is vital. So Canco operates plants at 48 points. Should you need 1,000 cans today or 1,000,000 cans tomorrow, you'll get them and you'll get them on time.

In buying cans, remember: ABILITY to serve you well is as important as the WILL to serve you well.

**AMERICAN CAN COMPANY**  
230 PARK AVENUE NEW YORK



# How One Company Chose a Home



Advantages and disadvantages of five cities were carefully studied before the International Nickel Company finally located this plant at Huntington, W. Va.

✓ FEW communities in search of factories are strangers to disappointment like that of the fisherman who has to report that "the big one got away." Fortunately for the peace of mind of chambers of commerce and trade boards, the reasons why industries pass up one city for another are not the mysteries they used to be. Where rejections of invitations toward establishment or relocation were once put down as whims, it is readily demonstrable today that the application of scientific measurements to the facilities and conditions offered by competing communities has attained a substantial precision when judged by engineering standards.

How a reasoned choice is made is exemplified in the procedure of the International Nickel Company which ended in the selection of Huntington, W. Va., for the location of a new refinery and rolling mill. When these units were put in service they represented an investment of \$4,000,000. That figure has been more than doubled by the addition of new equipment.

Operating at maximum capacity, these works employ about 1,400 men, virtually all of whom stem from native stock. The chief products are monel metal and nickel—sheets, rods, squares, special shapes, wire and tubing.

Monel metal comes to Huntington from the smelters at Copper Cliff, Ontario, in the form of matte. From the refinery at Port Colborne, Ontario, comes the electrolytic nickel cathodes which are remelted and used for the production of rolled nickel and special nickel alloys. Also from Port Colborne comes nickel oxide for the production of reduced

HERE is the formula which International Nickel used in choosing a new location. The factors and the weight given each will provide food for thought for all those interested in civic development

nickel. At Bayonne, N. J., the Company had already established its largest refinery. Whether to add to the Bayonne works or to construct a new plant elsewhere was the question. The Company decided to investigate. The factors weighed in the consideration of competing communities are indicated in the following schedule.

*Labor:* skilled, common—type, supply, rates, strikes.

*Fuels:* metallurgical, power generation—cost and quality—oil, producer gas, natural gas, coal and coke.

*Power:* public service electric supply—cost, service.

*Living Conditions:* housing, cost of living, sanitation and health.

*Climate:* minimum and maximum average temperatures, average snowfall, average rainfall.

*Water Supply:* service, cost, quality.

*Taxes and laws:* state and local.

*Selection of site:* railroad connections, character of ground for building and equipment foundations, drainage and flood conditions, accessibility for labor, grading and facilities for slag disposal, provision for expansion of works.

*Construction Costs:* labor, material, supplies.

The weights assigned to the various items, on a basis of 1,000 points as a perfect score, are:

Labor.....	250
Fuels .....	330
Power .....	100
Living Conditions.....	100
Transportation .....	50
Water Supply.....	10



Climate .....	50
Supplies .....	60
Taxes and laws .....	20
Site (cost and quality) .....	10
Construction Cost .....	20

When it became known that the International Nickel Company was interested in establishing a new refinery and rolling mill, five communities entered the competition for the Company's approval. How the rival representations were rated is revealed in the tabulation of comparative scores:

	LOCATIONS			
	Huntington A	B	C	D
Labor .....	100	90	82	75
Fuels .....	100	55	50	60
Power .....	100	90	95	90
Living Conditions .....	100	90	90	85
Transportation .....	100	95	90	90
Water .....	100	90	75	85
Climate .....	100	90	85	90
Supplies .....	100	90	90	95
Taxes and Laws .....	100	100	100	90
Site (cost and quality) .....	100	75	50	30
Construction Cost .....	100	90	80	70

It is apparent that Huntington made a perfect score in every particular of the examination, a showing which provided its own eloquent argument for selection. If it were necessary to discover a moral in this external judgment of community conditions, it could be readily defined in the realization that the commitment of business resources must rest on something more solid than the enthusiastic appraisals inspired by local pride and self-interest. Cities in quest of new industries can no longer avoid comparison. Odious they may be, but soundly made they must be. Merchandising civic atmosphere is pretty much a technique in itself—and nowhere is the shopper more dispassionate or judicious.

—R. C. W.

## Taxes Paid in Kind

★ WASTES in government are becoming more apparent as city after city wrestles with the problems of municipal finance. In Milwaukee, the city attorney is looking into the unpaid taxes owed by receivers of income properties. Ferndale, Mich., has experimented with barter as a way of taxpaying. Shoes, children's dresses, and lubricating oil were accepted from delinquent merchants in payment of real estate taxes, personal property taxes, and a water bill, respectively. According to the city manager, this idea is practicable because the goods can be used by the city, and the prices allowed in the experimental cases were for the most part less than the figures paid by the city for similar articles.



—but she can't  
live on a  
mere pedestal

American men have long enjoyed the reputation of being devoted husbands. But any wife, and especially a mother of growing children, needs more substantial support than a pedestal of adoration.

Some men lavish everything upon their families by living right up to the limit of current income, making relatively little provision for the future.

A more practical devotion combines the right amount of spending in the present with security for the future.

The Equitable offers an ideal plan under which both objectives can be accomplished — and for comparatively small outlay.

Write for information about this easy way to make sure that *your* wife will not have to battle the world single-handed.

*Let an Equitable agent apply the Case Method to your financial problem*

Equitable agents are professionally trained to work out life insurance and annuity plans to fit the specific needs of the individual. That is what is meant by the Equitable Case Method.

Without obligation on your part, an Equitable agent will gladly study your insurance needs and recommend a definite plan.



**THE EQUITABLE**

FAIR — JUST

**LIFE ASSURANCE**

SECURITY — PEACE OF MIND

**SOCIETY**

MUTUAL — COOPERATIVE

**OF THE U.S.**

NATION-WIDE SERVICE

The EQUITABLE Life Assurance Society of the United States

Thomas I. Parkinson, *President*. 393 Seventh Avenue, New York, N. Y.

I am interested in providing an income for my family. Kindly mail explanatory booklet.

NAME

ADDRESS

AGE

When writing to EQUITABLE please mention *Nation's Business*



# Small Business and the NRA

(Continued from page 32)

price fixing, selling below cost, code domination by big units of industries, price cutting by mail-order houses, denial of representation in making and administering codes, burdensome costs of NRA, limitation of machine hours, discrimination in discounts, and inability to negotiate adequate loans.

## Complaints of many kinds

AGRICULTURE had its specialized voices of protest. A Sacramento fruit and vegetable house saw market manipulation by chain stores in the Red River potato area. The AAA, it said, opposed individual brokers, but sustains "dummy" commission agencies of the chains. From Bartlett, Neb., a live stock man wrote that the Government was destroying his market. A McKenzie, N. D., correspondent believed CWA rates were demoralizing farm labor. An Ohio concern looked on NRA as discriminating in favor of the big dealers in fertilizer.

Aluminum fabricators contributed a heavy barrage of troubles. Independents cannot compete with the company controlling the source of supply, said a products firm at LaGrange, Ill. "Monopoly" was seen by a Chicago manufacturer. Concerns at Springfield, Mass., and Jackson, Miss., contended that the biggest company sold below cost.

Automobile dealers, parts and accessory manufacturers sponsored reports of a variety of "annoyances." Quibbling over discounts by big manufacturers shut its plant, wrote a friction products factory at North Manchester, Ind. A Chicago service shop read its doom in the selling practices of mail-order houses—said it could not meet prices and had to subsist on the servicing of products sold by the mail-order houses. Price stabilization, on the word of an association of rubber merchants in Fort Wayne, Ind., aids the mail-order firms by reason of the superior buying power with consequent ability to undersell the small merchant. Evil lurked in "fleet discounts," according to a Jamestown, N. D., company—"dollars used by large companies are no different from those used by independents."

"Price cutting" by mail-order houses made texts for dealers in Dover, Ohio; Tucson, Ariz.; and Salisbury, Md.

"We sell for less" signifies the breakdown of our economic system," declared a supply company in Quincy, Ill. "One discount leads to another," it says, "with the result that the chains get concessions denied to the independent."

Charges that the decisive opposition

to price fixing comes from chains had authors in Norwalk, Calif.; Minneapolis; Columbus, Ohio; and Durham, N. C.

The barbers and their suppliers had some new stories to tell. A supply house in Lincoln, Neb., reports one company required it to take a \$750 stock of products to hold the line—short of full compliance, shipments would stop. From Chicago, a master barbers' association sent word that the minimum wages in effect could not be paid unless minimum prices are fixed to control "the chisellers who have demoralized the industry."

Small yards had no voice in determining the code for building materials, said a firm in Port Chester, N. Y., in a complaint against price fixing. "An open pine French door is quoted at \$2.70 in carload lots to wholesale distributors; in less than carload lots, this door is \$3.81—a differential of 41 per cent between the two outlets."

## Cutting off the independents

FROM Bridgeport, Conn., came the allegation that seven big dealers incorporated and obtained the agencies for all standard brands of materials, and "are telling salesmen from the factories that if they sell to independent dealers, the corporation will order no more goods."

A clay products company in Mineral City, Ohio, is uncomfortable about NRA wage requirements and price fixing—"they have completely destroyed the market for clay products manufactured in Ohio."

Independent fruit canners in Tulare, Calif., resent dictation from the big fellows "who have lost money each year for the last four years." Disregard of a marketing agreement and secret allocations of the pack are charged by a San Francisco peach canner. "Thus the two large corporations received the lion's share of the pack and the smaller canners did not receive enough peaches to fulfill their actual contracts."

There were plenty of dark spots and misfits visible to the cleaners, dyers, and tailors. A cleaning concern in Omaha objected to a "service charge" approved by the large establishments. Small plants see their competitive position lost if they have to raise prices to levels which absorb the costs of charge accounts and credit facilities which they do not provide.

A contract tailor in Bethel, Ohio, says his pressing machines cannot always keep up with his sewing machines. If limited to 36 hours a week for one

shift, his business will be lost to large operators, he says. A cash-and-carry cleaners' association in Port Arthur, Tex., wrote that, of 100 cleaning establishments in the city, 83 were denied a vote in fixing the minimum price for the territory, and had no voice in choosing the members of the code authority.

The familiar troubles of the coal industry were aired in variety and detail. Wholesalers do not get enough commission, a Detroit company asserted. Price fixing is killing off the truck mine operator, asserts a correspondent in Palmer, Tenn. "Most coal is not sold at the tip, but is dumped from mine cars into railroad cars and shipped direct, thus avoiding the expense small coal operators have to pay. The large operators thereby can undersell the smaller operators by avoiding middleman's charges."

Little butter and egg men and dairymen professed to see much unfair competition. A Chicago dealer wanted to know why large distributors are permitted to advertise "pure creamery butter" when adulteration is common. The results of tests should be available to the consumer, he thinks. Once that is done, he believes, the small retailer can hold his own. Milk was sold to Detroit institutions at 14 cents a quart by the "trust," when the NRA price was 32 cents, complains a Detroit dealer. "Real competition or government ownership" is his wish.

Difficulties of independents in providing bond to comply with license requirements in the Chicago area was given as a factor in complicating their competitive position.

## Vexed at retail code

HARD words flowed from the typewriters of independent druggists who feel that they are "the forgotten men" of the recovery program. A Glendale, Calif., druggist, is vexed at the delay in establishing merchandise and labor costs. Misrepresentation in the advertising of chains is charged by a West Hampton, L. I., store. From Forest Hills issues a statement that limitation of resale prices was blocked by big retailers. A drug and perfumery concern in New York City reports threats of suppliers to cut off their products unless it sells their merchandise to retailers on a smaller margin of profit.

Light on trade practices in the electric appliance and equipment field was contributed by dealers and manufacturers, and contractors. The code is an attempt to "squeeze" the little fellows, declared





**\* THIS PLATE**  
*is your key to low cost truck operation*

\* The Ability Rating Plate that you will find in plain view on every Reo Truck and Speedwagon bears these vital facts: (1) Gross load capacity of the truck. (2) Percent of grade it will climb in high gear, fully loaded. (3) Safe loaded speed on level roads.

That is what Reo means by ABILITY RATING—rating the vehicle specifically and honestly according to its true ability to deliver.

Reo does not merely offer an idle claim or hopeful estimate of what you may expect—but a definite advance picture of performance under any given conditions.

The reason why Reo can take this unprecedented stand is found in the Reo factory, in the Reo traditions of

quality—in the knowledge that Reo trucks are built and balanced for *extra hard service and extra long life!* Otherwise such a specific forecast of RESULTS would not be possible.

With these results known in advance—with performance literally *pre-determined*—operators can plan their schedules and gauge their costs with a degree of precision unheard of before Reo developed ABILITY RATING.

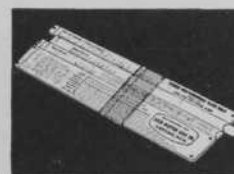
Why buy a truck without first learning the details of this exclusive plan? Why not write Reo—or ask your Reo dealer—just how Reo has ended blindfolded buying and put truck selection and operation on a SOUND and SCIENTIFIC basis?

**\$595** 1½-2½ TON CHASSIS  
F. O. B. LANSING, PLUS TAX  
DUAL WHEELS EXTRA



Reo Speedwagons and Trucks range from ¾ to 4-6 tons. New low prices — \$530 and up. 32 wheelbases, all with Reo Gold Crown Engines. Tractor-Trailer units with correct load distribution and maximum payload capacity. All prices chassis f.o.b. Lansing, plus tax

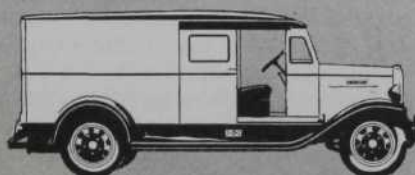
**WRITE** Reo today for the "Truck Superiority Book." This book will serve as an excellent guide in the correct selection of your next truck. It supplies accurate and invaluable data with which you may compare all trucks in the low price range.



The Reo Truck Performance Gauge gives the exact answer as to the truck best suited for your job. Before buying a truck, ask a Reo salesman to use this Gauge in determining your particular requirements.

## THE QUALITY TRUCK IN THE LOW PRICE FIELD

### NEW REO DELIVERY UNIT



Clear Swing Rear Doors  
No Wheel Housings  
Full Vision Windshield  
Insulated—Sanitary  
Sliding Front Doors  
**\$795 COMPLETE WITH BODY**  
Special Equipment Extra  
f. o. b. Lansing, plus tax



This new combination unit is particularly well suited for delivery of milk, baked goods, bottled goods, groceries, etc.

**REO** MOTOR CAR COMPANY  
LANSING MICHIGAN



## G.P. &amp; F. STAMPINGS



## G. P. & F. offers more than just the use of a lot of presses

G. P. & F. offers you 53 years of stamping experience—under one management. That means reserve knowledge to call upon—knowledge of every possible short cut.

G. P. & F. experience means uniform quality—minimum machining costs in your assembly department. It means economy in die costs; frequently G. P. & F., because of their vast experience and large tool equipment, do not have to start dies "from scratch." It means accurate cost estimates—no surprises.

Although this experience is the chief reason for bringing your stamping

problems to G. P. & F.—and bringing them early—the G. P. & F. plant is also an important reason. This 19-acre plant, filled with the most modern stamping and forming equipment, far exceeds the facilities any one manufacturer could afford to maintain.

Take advantage of G. P. & F. experience and facilities. Start by writing for the idea-inspiring booklet, "In Harmony with Modern Progress."

**GEUDER, PAESCHKE & FREY CO.**

*Sales Representatives in Principal Cities  
in All Parts of the Country*

1419 W. St. Paul Ave., Milwaukee, Wis.

# G.P. & F.

## STAMPINGS




### RUSSIA—SHORT TRIPS

For men of business, a series of tours visiting the Industrial centers—Moscow, Leningrad, Karkow, Kiev and Odessa—Specially planned to give an insight into the system of Industrial Planning and State Control of Production and Agriculture. For further information apply at any office of the

**AMERICAN EXPRESS**  
"Intourist" Representatives





**Visiting Washington?**  
Since the fourth President before Lincoln, famous men's letters and books have mentioned the hospitality of  
*The*  
**WILLARD HOTEL**  
"The Residence of Presidents"  
Washington, D. C.  
H. P. SOMERVILLE, Managing Director

**"Which Stocks Are a Buy Now?"**  
Send for free copy

# Babson's Reports

and the famous  
**BABSONCHART**  
Div. 39-66 Babson Park, Mass.

a New Orleans association. A DeKalb, Ill., works declares that if it is compelled to compete on an equal price basis, public utility officials will award their business to the larger companies. "Large companies give a 25 per cent discount," said a Los Angeles supply shop. "We little fellows are lucky if we make 25 per cent on the deal."

Woodworkers, furniture men and their allies were of many minds. A Minneapolis company fretted under what it interpreted as a code obligation to produce a full line of mill work, though it specialized in cabinet work. Prices of dressers doubled from June to November, a merchant in Anomoose, N. D., reported. Costs of materials rose 100 per cent, when only ten per cent to 25 per cent was justifiable, a Philadelphia bedding manufacturer wrote. An alleged attempt to zone sales of business furniture in the New York district roused the ire of another correspondent. It would "increase the prices to all public institutions, hospitals, universities, as well as retailers, dealers, and consumers ten per cent above prevailing levels."

### Little men hurt by code

HOTEL and restaurant men centered their fire in the charge that "big shots dominate the regulation of their business." Ice men generated some heat in reciting woes which they traced to the "influence" of large competitors. An ice machinery manufacturer in Waynesboro, Pa., complained that permits for extension of his facilities had not been granted. An association of independents in Miami charged that several manufacturers were, under the guise of a code, raising prices and increasing costs to the consumer.

Two brothers in Thief River Falls, Minn., wrote that they are kept from going into business by other ice men who say they must have a certificate of public necessity and convenience under the NRA—"a misuse of recovery legislation," as they read it.

Jewelers animate the specter of destruction by complaints of domination. One New York dealer opposes "an attempt to assess each member of the industry \$10."

Lumbermen were free with their criticism. A company in Scottdale, Pa., charged maladministration of the oak flooring division of the lumber code, and alleged that big producers dumped millions of feet of flooring on the market at prices from \$2 to \$20 below current levels. Further, "the cost of active participation in its trade association is about \$250 per meeting per representative, and many of the smaller companies find this cost prohibitive."

From Lester Prairie, Minn., came a report that farmers were told that prices fixed for lumber would add only three per cent, but that the increases were



nearer 75 per cent to 100 per cent. A St. Louis lumber company charged that an association with a membership of 125 was given power over 7,000 mills operating in yellow pine, and that the minimum prices were put in effect for all mills regardless of differences in cost of production. A Chickasha, Okla., dealer sees a lumber price list as a violation of the antitrust laws. He is prevented from delivering his materials outside the city, and says he cannot use his own costs to undersell competitors—"22 per cent as against 35 per cent for the big line yards."

### Too much capital needed

LITTLE rice millers were living mostly on husks, to read their allegations of tyrannous conduct by the big processors. The condition imposed by NRA required about three times the capital once needed, a Cohoes, N. Y., miller protested.

Oil men did not seem able to calm the troubled waters with their stock in trade. From Pocatonia, Ill., came complaint that the code made it impossible for a small retailer to get a loan from another retailer of oil, even though the money would be paid on a debt in a closed bank for the benefit of stockholders. "Lease and agency" agreements were attacked in a letter from an Avoca, Pa., company.

A member of a farmers' cooperative oil company in Wahpeton, N. D., wrote "under a pooling and marketing agreement just signed, we are limited to six cents gross margin, and we are required to give to pump accounts in outlying towns four cents of this margin—that is we are allowed two cents (per gallon) to deliver the material within a radius of 16 to 18 miles."

### Fixed prices are damaging

A WARREN, Ohio, dealer says that the independent is beaten out of a profit by an alleged agreement "which implicitly sets the grade of oil to be sold at specific prices for specific grades, cutting out the commission to the wholesaler and, since peddling is not allowed, the public will be compelled to drive to other destinations for oil. It would mean the release of eight or nine men."

Expansion of a concern at Columbus, Ohio, has been halted by government price fixing, it reports. "It is impossible for the independent company selling under an individual brand to compete against major oil companies which spend millions of dollars in national advertising unless a slight price differential is permitted."

A Fort Worth, Texas, association contends that major interests have overbuilt stations to the detriment of independents, and a service station at Highwood, Ill., calls the situation "deplor-

*We speak your language  
on France-a-float*

"I'll have orange juice and ham and eggs for breakfast." ("But certainly, sir," says the steward.)

"A hot bath at six, please," you say. . . . (At six, presto, your bath is ready . . . and hot!)

YES, we speak your language on these French Line ships . . . both literally and figuratively. The stewards not only understand English, but they even anticipate your unspoken wishes. Everything is arranged precisely as you would have it. Everything is comfort and modernity and efficiency.

A trip abroad on France-Afloat is the experience of a well-rounded lifetime. There's plenty of opportunity . . . and space . . . for sport, recreation, or just plain loafing. You whip up a whale of an appetite . . . then satisfy it with the best food in the world. (Have you ever tasted a Chateaubriand steak, two inches thick, prepared as it should be?) To complement this delicious cuisine . . . the finest old wines, at moderate prices. Then always, on a French Line trip, there is the feeling of security inspired by staunch Breton seamanship.

For all its extra pleasures, a passage on France-Afloat costs no more! And shipboard expenses have been adjusted to the value of the dollar. The French Line is a direct route to England (straight to Plymouth, no channel to cross). And the French Line's the logical route to Paris (gateway to all the Continent). Your travel agent will be glad to help plan your trip without charge. . . . French Line, 19 State Street, New York City.



## French Line

PARIS (Enlarged, Redecorated Tourist

Accommodations), May 19, June 9 and 30 • ILE DE FRANCE, May 5 and 26, June 16,

July 7 • LAFAYETTE, May 16, June 13, July 3 • CHAMPLAIN, May 12, June 2 and 23

*When writing to FRENCH LINE please mention Nation's Business*



# ANOTHER MESSAGE TO THE 17,061 AGENTS OF

THE HARTFORD FIRE INSURANCE COMPANY

and

THE HARTFORD ACCIDENT AND INDEMNITY CO.

THIS nation faces the coming months with a betterment of business conditions already in evidence. As Hartford agents you, as well as the Hartford, have been passing through one of those trying periods which have often confronted this company and have been successfully met by it since 1810 when it was organized as a stock fire insurance company. Hartford policies have never been assessable. • To the loyalty and cooperation of the far-flung agency organization of the Hartford is due much of the credit for the Hartford's strength and stability. This stability is shown by the financial statements furnished to you so that you may be able to give complete information about the Hartford to property owners who want to know something about the standing of the companies back of the policies they buy.



## To the Public:

THE NAME OF THE HARTFORD AGENT IN MANY COMMUNITIES IS LISTED UNDER "HARTFORD" IN THE TELEPHONE BOOK. IF IT ISN'T SO LISTED WRITE THE HARTFORD FIRE INSURANCE COMPANY, HARTFORD, CONN.

able"—says the big companies control the price of crude oil, the wholesale and retail prices, and then set up their own stations to compete with the independents.

Codes for the paper industry and allied products were written by big business and union labor, writes a Milwaukee envelop concern. Payments exacted for the cost of administration are too high, as measured by a Yankton, S. D., maker of egg crates. Los Angeles paper box companies oppose a central estimating office for their industry—prorating the cost would be expensive and inconvenient, they feel.

Printers and publishers spoke their minds freely and sharply. A company in Blanchester, Ohio, contended that wage scales should be based on living costs, not on the size of the community. Set prices of the graphic arts code are unjust to specialized workers and mechanical classification of the wage scale would result in severe hardship, according to a New York publishing house. A newspaper publishers' association saw a threat of monopoly in the regulation of the newsprint industry "which provided for uniform prices and making deviation from this price a violation, with no opportunity for redress.

## Helped large rubber companies

SMALL rubber interests believe that the code has accentuated advantages already held by major units in the industry. A West Haven, Conn., firm saw injury in the check to special inducements to buyers. Computations required for determination of costs are too complicated under provisions of an open price association, a Toledo, Ohio, producer suggests in an appeal for guidance. Objection to a marketing plan which includes "cost recovery, publicity of prices, and terms of sale" is registered by a La Crosse, Wis., manufacturer who sees a trend toward monopolistic surveillance of its business. Wages and material for rubber heels and soles are higher, says a Baltimore factory, yet prices are restricted to unprofitable levels.

One New York interest interpreted the shipping code as constituting a violation of the treaty rights of foreign ship owners and as putting an intolerable burden on American export trade. A traffic manager for an international corporation saw a threat against the independent operator—and looked to him as the best guarantee against unreasonably high ocean freight rates. The fear of "frozen" freight charges was expressed by a New York shipper of construction supplies.

Business susceptible to the influence of the iron and steel code did some plain speaking. Price fixing which allowed no profit moved a Van Wert, Ohio, jobber of bale ties to protest. "Wire which cost \$1 before the code now costs \$1.32."



Manufacturers, the firm says, are permitted to sell at the same price as it does, and so "it can make no headway in getting or keeping the business." The cash discount, formerly two per cent, was moved down to one-half of one per cent by the manufacturer. A similar complaint came from a Chicago fence company. Objections to the basing point system of pricing, quantity differentials, and inclusion of "artificial elements" in delivery prices were made by a Jersey City, N. J., company. Hardware dealers who were recognized as jobbers prior to January 1 are now disqualified by agreements between manufacturers and organized jobbers, a Leominster, Mass., dealer reports. Small fellows cannot get benefit of the \$80 a car rebate, he adds. A New York foundry company objects to "the levying of a tax or contribution on small members of the cast iron soil pipe industry."

The familiar issue of "block booking" appeared in letters from motion picture theater owners and exhibitors. All companies are permitted to force sales of news reels, a group of New Jersey owners asserted in charging that "block booking" is a misnomer. "Actually it is full line forcing, and should be torn up by the roots."

Chicago distributors refuse films and favor big circuits, an Illinois theater alliance complained. The time between the showing of first run pictures in major houses and the second run in neighborhood units is too long, contended a national association of exhibitors, with its headquarters in Washington. "The code deliberately discriminated against the small outlying theaters."

Complaints in the wearing apparel field had a texture all their own. "Gentlemen's agreements" by mills was just another name for "monopoly," as a New York manufacturer of footwear saw it. A producer of work shirts at Tupelo, Miss., writes that he is greatly handicapped by having to compete in the sale of shirts with larger shirt makers who are using prison labor on the scale of \$2 to \$3 a week. From River Falls, Wis., came the charge of an overall maker

that some of the trimming houses offer discounts of 40 per cent to 50 per cent on quantity purchases, and that only the biggest producers can qualify.

Whatever the present predicament of small business, it attains national importance by its numerical emphasis. It is a commercial species of remarkable vitality, and has managed to sustain its kind in an increasingly acute struggle for economic survival.

### Small plants in the majority

IN 1929 there were 210,959 manufacturing concerns with an individual output of products valued at \$5,000 or more. Establishments with their products in the brackets up to \$100,000 accounted for 68.6 per cent, or 144,648, of the aggregate number. These plants employed ten per cent of the workers. Putting it another way, 144,648 plants employed 896,113 wage earners, an average of a little more than six to the plant.

In the brackets above the \$100,000 annual value of products, there were 66,311 establishments—31.4 per cent of the total number. They employed 7,942,630 workers, an average of 119 to the factory.

While plants with annual outputs valued at \$1,000,000 or more numbered only 11,763, 5.6 per cent of the total of 210,959, they employed 5,148,100 persons, 58.3 per cent of the entire factory pay roll, an average of 438 persons to the plant.

In the merchandising field, single store "independents" in 1929 accounted for 1,230,300 of the total of 1,543,158 retail establishments. These "independents" had 2,241,438 full time employes, compared to 3,833,581 for all stores. They did a business of \$31,486,128,000 against a sales volume of \$49,114,653,000 for all retail trade outlets.

Despite the commercial mortality of the depression, the astringent action of mergers, and the spread of multiple units, it is possible to believe that America is still a land of small business, a land of opportunity unqualified by the sheer weight of size.

## Cash Registers and Repeal

★/PROHIBITION'S piecemeal exit from these United States is pleasing at least one business group, and that's the people who make and sell cash registers.

They're getting a lot of business, of course, from the newly organized liquor-selling establishment and the nice thing about it is that the demand is keeping pretty well levelled off, what with repeal becoming effective on differing dates in the various states.

"If repeal had become effective simultaneously in every state, we simply could not have supplied the demand for registers," remarked the advertising manager of one of the large companies. "Of course," he added, "we strongly suspect that we got a good slice of business from liquor sellers long before repeal; you'd be surprised at the way our sales in the 'clubs and lodges' classification shot up during the last few years of prohibition."

BY HAND...  
you can write

25  
BILLS AN HOUR

WITH A TYPEWRITER  
you can write

35  
BILLS AN HOUR

WITH A TYPEWRITER  
Plus A SPEED FEED  
you can write

75  
BILLS AN HOUR

## SAVES ITS COST IN TWO WEEKS

Price cutting is out.

Cost cutting is always in season.

The unproductive labor cost of handling carbons on a cut or padded six-part form is \$6.31 per M for a twenty-dollar-a-week typist.

The Speed-Feed saves this. Inserts and removes carbons automatically; does in 5 seconds what requires 50 seconds by hand. Also eliminates costly pre-inserted (one-time) carbons. Adaptable to any correspondence typewriter and to typewriter billing machines. Attached or detached in a minute. Keeps all forms in perfect alignment.

The cost of the Speed-Feed? Virtually nothing! Two weeks' saving will more than pay for it. When and where will be a convenient time and place to demonstrate?

THE EGRY REGISTER CO.  
Dayton, Ohio

Sales Agencies in all principal cities

Manufacturers of Egr Speed-Feed Systems, Typewriter and Billing Machine Attachments, Printed Business Forms, Egr Register Systems. Limited territory available for high type sales agents. Write for details.

# EGRY

## SPEED-FEED

The Egr Register Company

Dayton, Ohio

Gentlemen:

Your Speed-Feed sounds interesting. Tell me more about it.

Name

Address

City

State

When writing please mention Nation's Business



# Our Permanent Home Bank System

(Continued from page 22)

bank are appointed by the Federal Home Loan Bank Board in Washington in the public interest.

Already, more than 2,300 institutions have become members of the Federal Home Loan Bank system. They have subscribed for 190,000 shares of stock in the regional banks, entitling them to a line of credit equal to 12 times their subscription, or more than \$220,000,000. Authorized advances to members of the regional banks now exceed \$100,000,000. Such advances are used for the retirement of short-term capital indebtedness, and for new mortgage loans to thousands of individual home owners, at a time when few other sources of credit are open to such borrowers.

Membership in the Federal Home Loan Bank system is not compulsory. Applications for membership are approved only after careful investigation of the applicant's financial condition, management and home financing policies. The rapid growth in membership is wholly due to recognition of the advantages available to institutions through such membership, and to the practical safeguards which federal supervision and examination offer to the public in lending or borrowing through a member institution.

## Centralized mortgage banking

THE Federal Home Loan Bank system was established to meet a long-felt need for an adequate credit reserve in the home finance business. It emerged from long, practical study of foreign and domestic experience in home loan credits. The United States has been one of the last of the great nations to provide for a central mortgage banking structure. The results, if belated, have the merit of being based upon the actual experience of central mortgage banks abroad whose history runs back nearly a century as well as upon purely domestic considerations.

With the Federal Home Loan Bank system in full operation, and with correct public understanding of its purposes and functions, the danger of a recurrence of an acute shortage of home mortgage credit in times of extreme prosperity or depression should be largely eliminated, and the risk of a plethora can likewise be reduced.

Bearing much the same relationship to the Federal Home Loan Bank system that the National Banks bear to the Federal Reserve system are the Federal Savings and Loan Associations, whose organization was made possible by Act

of Congress approved in June, 1933. These associations are wholly local, privately managed, thrift- and home-financing institutions. Their lending methods and investment principles have been determined through careful study of the soundest home loan practices developed by American building and loan associations and mutual savings banks, whose excellent record in the protection of investors bears favorable comparison with that of any other form of security in the world.

The background of the Federal Savings and Loan Associations is the definite shortage of home-financing facilities which exists in at least three-quarters of all the counties in the United States. Experience indicates that local savings are in most cases adequate to supply the demand for such home loan resources, when properly concentrated and soundly managed. Locally owned and directed savings and loan associations, with the added safeguards of federal supervision and examination and the uniformity of operation which is possible under federal regulation, seem best fitted to provide such combinations of savings and lending agencies. Federal Savings and Loan Associations have, therefore, been constituted as the answer to the need for home-financing facilities wherever that need is felt.

The United States Treasury is empowered to subscribe to the shares of any chartered Federal Savings and Loan Association, in definite proportion to the amount paid in by all other shareholders. Actual initiation of steps toward the organization of a Federal Savings and Loan Association in a given community, however, is not within the province of the Federal Government. It must come from local men who recognize the value of such an institution.

At the same time, the regional Federal Home Loan Banks and the Federal Home Loan Bank Board in Washington are eager to assist such local groups, and are able to cooperate with them at every stage in the organization of a Federal Savings and Loan Association, or in the conversion of an existing state-chartered institution. A group of more than 30 trained organizers has been appointed by the Board to consult with business men and civic leaders who may wish to organize such associations.

Some 200 Federal Savings and Loan Associations have already been chartered and are in active operation. Their value in serving thrift and home-financing needs even in the metropolitan centers is shown by the fact that associations have been chartered in Chi-

cago, Philadelphia, Detroit, St. Louis, Cleveland, Milwaukee, Atlanta, Denver, Indianapolis and Seattle. Back of each application to organize a Federal Savings and Loan Association is the conviction, on the part of five to 50 or more prominent men in the community, that the time is at hand to supply sound investment facilities for the savings of local people of large and small means and, in doing so, to develop adequate home-financing resources for that city's own needs.

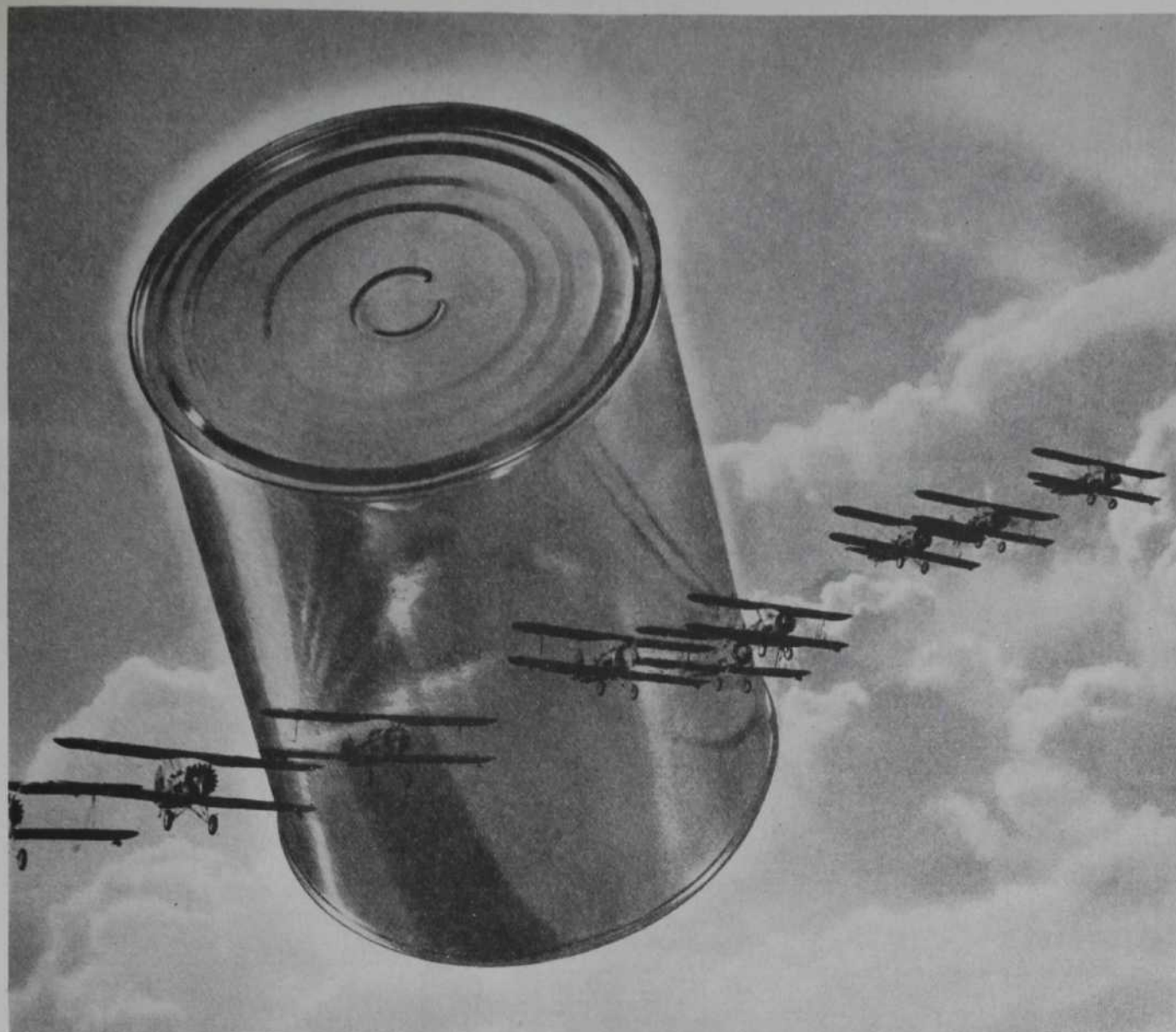
There is no class of people and no type of business in America which does not profit from a sufficiency of private capital for local home loan needs. There is no class which does not suffer when private capital for that purpose is lacking as it is now. The size of the problem is suggested by the fact that American home mortgage loans now aggregate more than \$21,000,000,000. That mass of debt must be thawed out and galvanized into active operation for the financing of long delayed home construction and maintenance which are necessary in restoring our entire economic equilibrium. The cooperation of federal agencies with private capital and private initiative promises a full and early success in that undertaking.

## An advantage to business

WHILE the building material industries and the construction trades may, indeed, have the most direct incentive to help in making home-financing institutions available throughout the country, certainly the bankers, mercantile interests, professional groups and manufacturing concerns are only slightly less dependent upon adequate and economical home-financing in their communities. A recent writer states that one of the principal factors in British economic recovery has been the large volume of private capital that has been available in England at moderate interest rates for long-term, amortized loans to millions of home owners. The source of that capital has been the savings of British wage-earners, merchants and other classes, invested in the English Building Societies, which closely resemble our own Federal Savings and Loan Associations.

Low-cost home ownership means more money which the home owner can spare for other uses. Low-cost home ownership is the most essential element in reviving the building and modernization of homes on any substantial scale in the United States today. It is made possible primarily by making home





## MARCHING FORWARD WITH THE SOUTH

**T**HE SOUTH is marching forward with great strides to a new era in commerce, agriculture and manufacturing.

Continental's faith in the South is fully illustrated in the recently added factories at Houston, New Orleans, Memphis and Jacksonville.

Continental keeps in step with demand—locating its plants where they can give quick, complete and economical service to its customers.

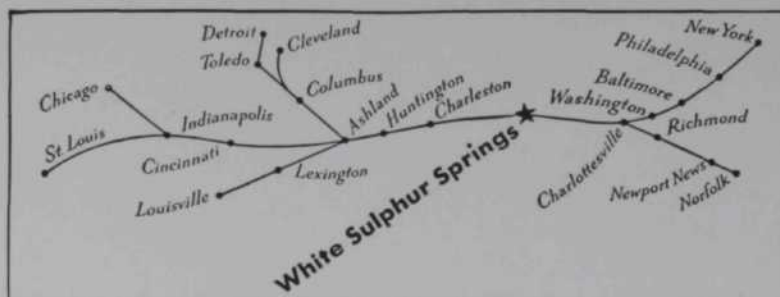
That's why the 41 Continental factories, from coast to coast, are placed near to the industries they serve—why, in every center for the packaging of products from orchard, field, ocean or factory, you will find Continental service close at hand.

To every industry whose products are or might be packed in tin, Continental offers a complete service in research, design and development. We invite consultation.

**CONTINENTAL CAN COMPANY**  
NEW YORK CHICAGO SAN FRANCISCO



## America's finest convention headquarters



### Overnight from all eastern and mid-west cities

America's most beautiful all-year resort offers all possible facilities for the smooth, efficient conduct of a business convention—and every opportunity for enjoying the social side of the program. Modern fire-proof hotel—accommodations for 1,200 persons—metropolitan comforts—auditorium, meeting rooms, banquet rooms, individual rooms

under one roof—no city distractions—easy accessibility—all work for the success of the convention. With business disposed of, it's just a few steps to golf (3 courses)—tennis—riding—or any other recreation on the convention agenda. Descriptive literature and complete details upon request.

## White Sulphur Springs

WEST VIRGINIA



THE GREENBRIER AND COTTAGES L. R. JOHNSTON, GEN. MANAGER

### Reprints

of articles appearing in Nation's Business will be furnished at cost of printing in quantities of 100 or more. Write to:

NATION'S BUSINESS • Washington • D. C.

### Accountants' Handbook

Save time! Increase your ability to handle accounting questions with this great 1872-page handbook. Modern practice from simple bookkeeping to higher accounting—principles, working procedure, forms, controls, reports, audits, etc. 33 big sections in one handy volume for desk or brief case—the ACCOUNTANTS' HANDBOOK. Widely used by executives, credit men, bankers—over 120,000 copies bought. Nothing else like it at any price. Write today for free 32-page section, full details, and low cost of this famous book. The Ronald Press Company, Dept. 780, 15 E. 28th St., New York, N. Y.

Sample Section FREE

### Doing Business Abroad

★ FOREIGN trade is something of a state of mind. To some manufacturers it is merely a field in which to work off surplus production. To others it defines opportunity to do more business. An index to current business thought is phrased by F. W. Nichol, vice president of International Business Machines Corporation, speaking to the Export Managers Club in New York:

"The foreign field is a tremendous one. It should be considered solely from the standpoint of its enormous possibilities. Some business men have the idea that it is a good thing to have the foreign business absorb overhead. That is viewing the matter in a negative light." And allowing for differences in customs and language, "what constitutes good salesmanship in America constitutes good salesmanship abroad."

The riddle of foreign ways of living and of doing is a formidable hurdle to understanding the world on its native heath. A text for the times came from the mouth of the school boy who translated "O tempore, O mores!" as "Oh what a time with the customs!"

## A TRAINING COURSE IN BUSINESS TO MEET THE NEW CONDITIONS

You are meeting *new problems* today. So we have prepared for you a Course in Business Management. It brings the best known business training *up-to-date*—training which has helped over 400,000 men to greater financial security and earning power. Send for the interesting 1934 descriptive booklet "What a Business Man Must Know Today."

## ALEXANDER HAMILTON INSTITUTE

Alexander Hamilton Institute  
744 Astor Place, New York, N. Y.

Name \_\_\_\_\_ Age \_\_\_\_\_

Business Address \_\_\_\_\_

Business Position \_\_\_\_\_





**T**HE WORDS on the card are not just a slogan. They represent a business philosophy followed by thousands of successful executives. *Paper remembers . . . so you can forget!*

A brain that is cluttered with details seldom originates ideas. Details belong on paper. Verbal orders vanish in thin air. Written ones become history. Instructions on paper need no memory course. Put details on paper and they're off your mind.

Pieces of paper . . . printed forms . . . will direct the work of a thousand men and pin a single error where it belongs. They will run a great department store or a chain of stores with more method and accuracy than a peddler knows.

For twenty years Hammermill has advocated the use of printed forms in business, because

#### BALANCED QUALITY

STRENGTH . . . . .	Tough, strong-fibred, resists punishment.
WHITENESS . . . . .	Whiter white, sharp, clear; compare for yourself.
FEEL AND CRACKLE . . . . .	Always crisp, lively; says "Quality."
WRITING SURFACE . . . . .	Perfect pen and pencil writing, neat typing.
ERASABILITY . . . . .	Clean erasures, no scuffing; saves retyping.
UNIFORMITY . . . . .	Maintained by laboratory control.
AVAILABILITY . . . . .	Stocked in nearly 100 cities, sold everywhere.
COLOR . . . . .	13 colors, all in different weights and finishes.
CARBON COPIES . . . . .	Uniformity assures clear, sharp carbon copies.
ENVELOPES . . . . .	Match perfectly, all colors in various sizes.
PRICE . . . . .	A Quality product at a Utility price.

#### HELPFUL IDEAS FOR EXECUTIVES

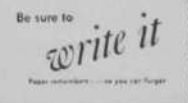
Over a period of years Hammermill has compiled a variety of helpful ideas showing how to put paper to work for you. If you are an executive and will place a checkmark in the coupon at the right, indicating your interest, Hammermill will gladly send you a collection of specially selected material. These ideas will be of value to you in designing and planning your printed forms and letterheads.

Hammermill Bond is a "natural" for this purpose. It is durable, tough. It has a surface that is receptive to pen, pencil, typing or type, yet stands erasure. It comes in thirteen uniform colors and white, in bond and ripple finishes. Envelopes to match. It is stocked by paper merchants in nearly a hundred cities. Printers prefer Hammermill Bond because it works well on the press.

Be sure to **WRITE IT!**—on Hammermill Bond.

Would you like one or more of the cards shown in the photograph above—to remind you or your associates to *put it on paper*? Cards are attractively printed in two colors, with easel back for desk or shelf, and special slot for hanging on wall. Sent without charge, single cards or enough for your associates. Use the coupon below, signed and attached to your company letterhead.

#### WANT ONE? . . . FREE!



HAMMERMILL  
PAPER COMPANY  
ERIE, PA.

NBS

Gentlemen: Please send me \_\_\_\_\_ of the cards, "Be Sure To Write It." I am also interested in printed forms and letterheads. ( ) Check here.

Name and Position \_\_\_\_\_  
Please attach coupon to your company letterhead

# HAMMERMILL BOND

LOOK FOR THIS WATERMARK . . . IT IS  
OUR WORD OF HONOR TO THE PUBLIC



# The Attack on Appliance Costs

By PAUL H. HAYWARD

THIS month the Electric Home and Farm Authority, Inc., begins its dual effort to lower power prices and spur appliance sales. Progress and problems of the task are described here

★ ONE of the most interesting offshoots of the New Deal, from a popular standpoint, is the Electric Home and Farm Authority, Inc. Corporative child of the Tennessee Valley Authority, it has been set up, like many a private corporation, under the liberal laws of the State of Delaware and is scheduled to start in actual business, at Tupelo, Miss., early in May.

For the present at least, it appears that its business will have three phases:

Assisting in financing consumers in the seven Tennessee Valley States in purchasing low-cost electrical appliances.

Obtaining reductions in electric rates by agreement with utilities so as to make use of these appliances feasible for the average householder and the average farmer.

Conducting educational work and research further to lower the cost of electric equipment and better adapt it to the needs of average homes and farms.

These, however, represent a rather narrow picture of the activities in which the corporation may engage under its charter. That document also empowers the corporation, among other things, to:

Manufacture, buy, sell, and deal in electrical appliances and equipment and in goods, wares and merchandise of every class and description necessary or useful for its operations.

To lend or advance money to, and endorse the notes and guarantee the obligations of individuals, firms, corporations and others, with or without collateral security, and to deal in notes, warehouse receipts, mortgages and other similar evidences of debt.

To borrow money and to issue

notes, bonds, debentures, and evidences of indebtedness of all kinds without limit as to amount.

To apply for, use, develop, sell or assign copyrights, trade-marks, trade names and patent rights.

To purchase, maintain, develop, sell or lease lands and leaseholds.

To acquire, use, sell or otherwise dispose of stocks, bonds or other obligations of any corporation; to aid in any manner any corporation whose stocks, bonds or other obligations it holds or in which it is in any way interested.

To conduct and carry on business in any state or territory and in foreign countries.

The corporation's history is quickly traced. The public received the first hint of its organization last November when David E. Lilienthal, director of the Tennessee Valley Authority, outlining a "five-point program for the electrification of America," said:

"I would be less than frank . . . if I did not say that a definite plan for this phase (wide distribution of low-cost, high-quality electrical appliances) of the program is approaching completion."

On December 19, President Roosevelt, acting under authority of the National Industrial Recovery Act, issued an executive order authorizing formation of the corporation. A capital of \$1,000,000 was provided, and arrangements made for granting up to \$10,000,000 credit through the Reconstruction Finance Corporation.

On January 17, incorporation papers were filed providing an existence of seven years and naming as directors the directors of TVA—Mr. Lilienthal, Arthur E. Morgan and Harcourt A. Morgan.

Primary objective of the corporation is to widen and increase the farm and home use of electricity and thus build up both the Valley electrical load and the happiness of its people. Its long-range objective is to do the same things on a national scale.

## End of stalemate?

THE corporation is visioned as the agency which will help break what has been described as a complete stalemate between utilities and electrical appliance manufacturers. The former, according to TVA, say rates cannot be reduced until use of electricity is greatly increased and that high cost of appliances is holding back such increased use. The appliance manufacturers, on the other hand, say that, until electric rates are reduced, volume production and sale of appliances, with resultant economies in costs, is impossible.

The corporation is attacking this stalemate on both fronts. On the utility side, TVA itself



EHFA President Lilienthal and Dr. Louise Stanley, Bureau of Home Economics, view the new ranges



**"GOOD TIMES COMING, BOSS!"**

Always a part of good living, BUDWEISER goes hand in hand with good times. What beer can match good food so well—or good company, whether stag or mixed? It's the unforgettable quality that makes it so. Because of the demand for this quality BUDWEISER holds an untouched record—the biggest-selling bottled beer in history. Order by the case for your home.

*For those who make living a fine art*

**Budweiser**  
KING OF BOTTLED BEER

**ANHEUSER-BUSCH • ST. LOUIS**

**NRA**  
WE DO OUR PART



## TAMPER-PROOF ACCURATE DURABLE



### KEEP YOUR WATCHMAN ON THE JOB... as well as on the Payroll....

Fires, thefts and other hazards can be avoided—insurance rates can be reduced if properties are adequately guarded with a . . .

#### CHICAGO WATCHMAN'S CLOCK

Write today for information on the Chicago Watchman's Clock System of Property Protection. It is the most economical method yet devised to assure the efficiency of your watchman. It is your assurance that regular plant inspections will be made in time—on time.

Approved by Underwriters' Laboratories and by the Associated Factory Mutuals.

#### Mail the Coupon Today—NOW!

CHICAGO WATCHMAN'S CLOCK CO.

1626 S. Wabash Ave., Chicago, Ill.

Please send complete information on the Chicago Watchman's Clock System of Property Protection. Tell me how insurance rates can be reduced through its installation.

Name.....

Address.....

City.....State.....

Individual.....

## how to reduce



## problems & costs

34 years experience in the manufacture of wooden box nailing machinery for the fruit, vegetable, oil, cannery and general merchandise field, is available to you—to help solve your shipping container, crate, and box problems.

Just send the coupon attached to your letterhead—giving facts necessary for our engineering department to make a proper study—offer recommendations by mail—or arrange to have our nearest representative call. There's no obligation.

**PARKER**  
machine works  
3001 TWELFTH ST.  
RIVERSIDE, CALIF.

I'm interested in your proposition—facts relating to our problem are attached.

Signed.....  
executive capacity

has slashed rates to domestic and other consumers served directly or indirectly with Muscle Shoals current, and has induced other utilities in the Valley area to reduce theirs. Leverage for rate cuts elsewhere is supplied by the corporation's policy of withholding its appliances from sale in territories where electric rates are, in its opinion, too high.

On the appliance manufacturers' side, EHFA has advised with a special committee of the National Electric Manufacturers Association on manufacturing objectives and problems. Electric ranges, water heaters and refrigerators were chosen as the three appliances having the largest immediate utility and load-building attributes, and initial operations will be confined to these. Manufacturers were given a general idea of the quality, types and prices desired.

TVA publicity men decline to say what these prices were, but there is reason to believe that the Authority's idea of how low a low-cost range, refrigerator or water heater should be was received with some incredulity by the manufacturers. Reports say that the prices EHFA originally set were below \$50.

### Designs for low-cost appliances

AT ANY rate, the manufacturers turned manfully to their designing boards, with the result that, on March 9, about a dozen manufacturers submitted some 40 varieties of these labor-saving devices, together with their proposed prices, for inspection.

The proposed refrigerator prices missed the mark.

"It is our conclusion," Mr. Lilienthal wrote the manufacturers, "that this price . . . is still too high to accomplish the wide distribution in the huge market of people of moderate and low income which the EHFA contemplates."

He added that, when satisfactory proposals were made, he would be ready to recommend "an extensive educational and promotional program" by EHFA.

Stove manufacturers fared better.

"It is gratifying to note that the price you have submitted is substantially lower than the prevailing price for equivalent quality," Mr. Lilienthal wrote them, adding "I am convinced that still greater reductions can be effected in the future. . ."

He indicated that EHFA would approve the stoves for financing, but only until August 1 on the basis of the prices submitted.

Refrigerator manufacturers came back shortly with fresh offerings.

The General Electric Company submitted a new refrigerator combined with an electric range, Vice President T. A. Quinn stating, "We are reducing costs in anticipation of greater volume."

Kelvinator Sales Corporation, Frigidaire Corporation and the Leonard Refrigerator Company made revised price

proposals which Mr. Lilienthal accepted, pending submission of new designs.

"We are confident," he said, "that prices of refrigerators as approved for the Valley market will be between \$70 and \$80. This price is to be compared with the present installed prices for the same equipment of around \$115. And with the increase in volume we may anticipate further reductions."

### Volume and prices

THIS seems, on its face, a merry whirl for these refrigerator manufacturers if they, like General Electric, revised their prices, as Mr. Quinn put it, "in anticipation of greater volume." First, prices are revised in anticipation of volume, then Mr. Lilienthal suggests further reductions as a result of that volume. As one of the manufacturers expressed it, "We've found that 'chiselling' of prices is not confined to private business."

Whether a chisel has been used or not, a most potent one is ready to hand if EHFA wants to force appliance-price reductions. This is EHFA's power to manufacture those appliances itself if it chooses. Appliance manufacturers, and indeed any other manufacturer doubtless will go far to avoid forcing the hand of a government-financed organization which, in the words of its charter, can "manufacture electrical appliances and equipment and . . . goods, wares and merchandise of every class and description necessary or useful" for operation.

At any rate, these are the actual developments in the EHFA picture at this writing. Reductions in retail prices of ranges, water-heaters, and refrigerators in the Valley ranging from 20 to 32 per cent are indicated by Mr. Lilienthal. Other appliances will be added to the line later. Requests for extending EHFA financing operations to other sections have been received, he says, but no extensions will be made before August 1. He adds that EHFA manufacture of appliances is only a remote prospect.

EHFA headquarters will be at Chattanooga, Tenn. Launching of actual sales of the low-cost appliances at Tupelo is to be made the occasion of a civic celebration, with dealers staging special demonstrations and EHFA opening a permanent exhibit and demonstration where daily instructional talks in the use of the appliances will be given.

Approved appliances will carry an EHFA distinguishing mark and will be sold through present retail outlets. The purchaser, if he desires to buy an appliance on the instalment plan, signs appropriate papers which the dealer, after the purchaser's credit has been approved, transmits to the EHFA. EHFA gives the dealer cash and the dealer's responsibility, except as to contingent credit losses, ends. The purchaser then gets his appliance, and thereafter pays on his monthly electric bill a sum



sufficient to amortize the cost of the appliance, with interest, in four years. His local electric company, in turn, remits these collections to EHFA.

How and how much EHFA will cut distribution and financing costs is yet to be announced. These, as Mr. Lilienthal has said, represent the principal items of cost in getting appliances into the homes and onto the farms. One recent department-store survey, for example, shows that from 30 to 47 per cent of net sales of electrical appliances at retail are chargeable to cost of doing business alone.

Going back to manufacturing costs, and despite all talk of a "huge mass market" in the Valley, some manufacturers seriously doubt if the area really offers a volume sufficient to justify prices as low as EHFA is urging. They point to competition from domestic gas service and appliances and to obstacles in the way of rural electrification.

### The market may be scant

FOR one thing, cash is scarce in the hill country. Department of Agriculture figures, for example, show that, from 1929 to 1932, Tennessee farmers had an annual average cash income of only \$420. For 1932 the figure was only \$253, and in one Tennessee Valley county, according to TVA Chairman A. E. Morgan, cash income is less than \$50 a year.

How these farmers can finance lines to and wiring in their homes, to say nothing of ranges, refrigerators and water heaters, is puzzling certain manufacturers before whom the lure of volume sales in the area has been dangled.

Chairman Morgan referred to one angle of this problem and suggested a partial solution in a recent article in the *New York Times*. He said:

"Rural distribution is too expensive when the farmer must pay city wages and heavy overhead for building his lines. Farmers in cooperatives . . . can do the work in off seasons. . . ."

This may solve the problems of building the lines, say some observers, but the farmers still face the problem of paying for materials for both lines and wiring, and also for the ranges, refrigerators and so on. It should be remembered that "city wages," to use Chairman Morgan's term, have gone into the fabrication of all of these. Could not his statement regarding rural distribution, observers ask, logically be paraphrased:

"Rural use of electrical appliances is too expensive when the farmer must pay city wages and heavy overhead for *wiring and electrical appliances*."

Indeed, one far-seeing electrical engineer terms this "the one fundamental problem which TVA and EHFA miss."

"Take the average Tennessee farmer, for example," says this engineer. "His average annual income of \$420 figures down, if we grant him a six-day week

and an eight-hour day, to a wage of 15 cents an hour. In all probability he needs every cent of that to supply his bare necessities, but disregard that for the moment. Merely consider what the purchase of a \$70 refrigerator means to this man in terms of his own labor. It means 466 hours, or 58 days, of hard work. Even cut the price of that refrigerator in two, and he still has to put in a month's hard work to become a refrigerator owner. The \$50-a-year farmer, of course, is in an even worse case. He would have to use every cent of his cash returns from 16 months of work to buy a \$70 refrigerator. Thereafter he faces further cash outlays for current and possible repairs. Essentially, it is a question of whether these farmers are willing to swap their labor, at 15 cents an hour and less, against the 'city' workman's labor at 50 cents and more.

"I'm afraid that the average Tennessee farmer is going to do just what I would do under the circumstances—keep on using the old spring house and the old wood stove."

In philosophical vein he added:

"This program for making the Tennessee Valley dwellers happier seems to me to seek its objective essentially by giving them things—and as I see it you can't make people permanently happy that way. On the other hand you can make people most unhappy by taking things away from them. Therein lies the crux of the low-cost appliance program. Manufacturers have only two ways in which they can reduce appliance costs.

"One is through volume production and sales. But it seems to me that, when such volume as the Valley offers is spread among all the manufacturers making this low-cost equipment, no one manufacturer is going to get enough to make any material difference in his manufacturing costs.

### Robbing Peter to pay Paul

"THE other way to lower costs is for manufacturers either to reduce dividends to their stockholders or the wages of their workers. If they do either they take something away from people and make them most unhappy. In other words, too drastic cutting of appliance prices means simply that the certain unhappiness of one group of citizens must be exchanged for the rather problematical happiness of the group of citizens who may buy these appliances."

These and other knotty problems—possible "bootleg" sale of appliances in unauthorized territories, to name a minor one; whether the Valley really can be developed into a vast, electric-power using industrial section, or whether it is a "sub-marginal" area industrially just as some of its land is sub-marginal for farming purposes, to name a major problem—face the electrification program.

## Kant-Slip Forms

Save  
money · time  
errors!

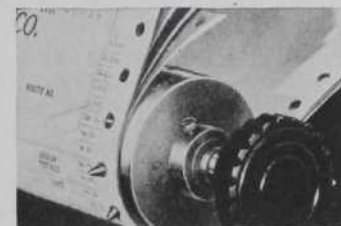
CARBONS CAN'T SLIP WITH KANT-SLIP

There is real danger of ordinary carbon copy forms saying the wrong thing. Kant-Slip forms eliminate this risk.

Even when this risk is not serious, it is at the expense of lost operating time or the use of needlessly large forms at higher cost.

Kant-Slip forms are the forms with the punch. Aligning pins on the Registrator platen mesh with these marginal punches, automatically aligning the set of forms. *Kant-Slip forms can't slip!* For the first time, continuous forms give continuous production.

Let a member of our nationwide organization give you the benefit of our 22-year experience in improving business forms systems.



● The patented Registrator platen is quickly installed on accounting, billing, tabulating, bookkeeping machines, and typewriters.

For handwritten records the Standard Kant-Slip Autographic Register has the exclusive advantage of this positive accurate registration.



The Standard Register Company, Dayton, Ohio.

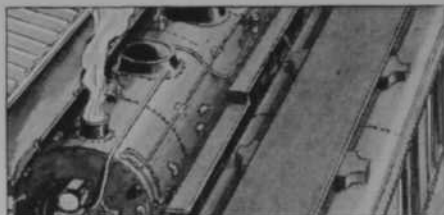
Tell us how we can affect economies in forms by re-design for greater compactness, providing uninterrupted operation and eliminating form shippage.

Name.....Firm.....

Address.....City.....NB-5

When writing please mention Nation's Business





# All Roads Lead to WASHINGTON

**A**SLEEPER pulls into Washington, a long one. All the trains coming to Washington are long ones—and filled to the last upper.

Under the New Deal, thousands of business men are being drawn to the nation's capital. Who are they? What are they doing here?

Let us ask some of them as they climb down from the sleeper and hurry to their taxis.

- 1** The president of a DEPARTMENT STORE to protest to NRA administrative officials against the inclusion of price-fixing provisions in manufacturers' codes.
- 2** A BANKER to call on the RFC to negotiate a \$3,000,000 loan in order that his bank, now in the hands of a conservator, may operate again under private management.
- 3** The MAYOR of a Texas city to meet with an art commission which is planning a bay-front development for his city—to be financed with public money.
- 4** A SOAP MANUFACTURER to attend hearings on the proposed processing tax on imported coconut and sesame oils.
- 5** A small VINEGAR MAKER to protest against his large competitors' fixing a retail price on vinegar higher than he feels is warranted.
- 6** A wholesale HARDWARE MAN to protest to Treasury officials against a reversed decision on his 1932 income tax return.
- 7** A representative of the PAPER BAG industry to discuss with the Bureau of Standards a simplification program for his industry.
- 8** An ADVERTISING AGENCY EXECUTIVE to testify at NRA headquarters on the rebate provision of the Advertising Agency Code.
- 9** A PAPER MAKER to call on his code authority to protest against his product's being classified in what he considers too high a price range.
- 10** A CITY AUDITOR of a Massachusetts municipality to protest to PWA officials against the complicated accounting records required on public works jobs.



- 11** A SHOE MANUFACTURER to confer with his code authority about working hours and price-fixing and on competition between hand-turned and machine-turned shoes.
- 12** The president of a TRADE ASSOCIATION to attend a meeting of the board of directors of his organization. (There are now 110 trade associations with headquarters in Washington.)
- 13** A RAILROAD OFFICIAL to confer with the RFC on a loan to finance the elimination of grade crossings.
- 14** The manufacturer of GYMNASIUM EQUIPMENT to call on the Department of Justice to see about placing bids for penal institutions.
- 15** The president of a Southern RAYON MILL to learn from the Bureau of Standards how much silk he will have to put into his rayon textiles to compete with pure silk fabrics.

... Not the beginning, not the end. Only a small part of the constant stream of business men surging into Washington day in and day out!

*NATION'S BUSINESS does not discuss the details of the problems which call these men to Washington. But it does interpret and make clear the larger policies of Government—in process of formation—which create business problems.*

NATION'S BUSINESS has been doing this job for twenty years. It is read every month by more than a quarter of a million business men in all industries—is accepted by them as an important part of their working equipment.

## NATION'S BUSINESS

MERLE THORPE, Editor

Published monthly at Washington by the United States Chamber of Commerce

★ ★ ★

THREE YEARS, \$7.50

ONE YEAR, \$3.00



Despite all these problems, however, EHFA faces the future with confidence, utilities in the southeast areas are reported to be interesting themselves in rate reductions which will permit low-cost appliances to be sold in their territories, and manufacturers, though divided regarding their benefits under the program, have cut appliance costs to a point where actual sales can now begin.

This price, for ranges at least, allows no profit to manufacturers, according to one maker. So far as manufacturers are concerned, he says, success of the plan depends on whether the EHFA

range is merchandised by EHFA in such a way as to increase sales of other models which the manufacturers make. For the present, in his opinion, it is to this hoped-for sales stimulant to their regular lines that manufacturers must look for any compensation they may get from the program.

Benefits to consumers, manufacturers and every link in the distribution chain, as well as added impetus to the home electrification movement, will come, he believes, if in the future EHFA encourages cooperation by giving due consideration to the necessity for modest profits all down the line.

## Accounting May Mean Tax Relief

★ THE need for the adoption of adequate cost accounting practices by government agencies which compete with private business in manufacturing, construction and repairing operations has been advocated recently by business men before the House Committee on Expenditures in the Executive Departments. If government agencies were required to keep cost accounts on the same basis as the private enterprises with which they compete, business men believe that many business ventures of the Government would disappear. A bill now pending before the Committee would require such accounting.

If the Congress and administrative officials had adequate cost data before them, incidents such as that which recently occurred at a military arsenal might be prevented.

Testimony before the House Committee showed that in 1932 the War Department invested \$27,000 in machinery and equipment for the manufacture of certain military supplies, while private, tax-paying manufacturers capable of producing those supplies were combing the country for business. This article had never before been manufactured in government arsenals. Although the Army representative testified that he believed that the Government was producing the article more cheaply than private manufacturers could produce it, no accurate cost information was available.

Such instances are common. The inquiry by the House Committee on Government Competition with Private Business showed that governmental agencies were competing with more than 225 distinct types of business.

Evidence at the recent hearings before the House Committee on Expenditures indicates that several government departments maintain cost-finding systems. These systems do not take into account, however, many items of expense which private business must meet.

Public property used by the Government in business is free from taxation even by the state, county, and town where it is situated. With such property removed from the tax rolls private citizens must make up the difference. In most cases, government departments make no allowance for depreciation, since no capital accounts are kept for fixed property. In many instances, business operations of the Government are supervised by officials serving in other government capacities so that their salaries are charged against administrative appropriations.

### Want true costs shown

BUSINESS men believe that Government competition conducted under these circumstances is inherently unfair. They insist that adequate cost records should be kept to disclose the true costs involved in such government operations.

The bill now pending before the House Committee on Expenditures would require all government agencies conducting manufacturing, construction, and repairing operations to maintain cost-finding methods which will disclose true costs of operation. The proponents of the measure believe that it is the first step toward eliminating the unfair competition of Government with private enterprise. They believe that those methods of ascertaining costs which have been found indispensable for the effective management of private business should be applied to the business ventures of government agencies.

Modern cost accounting procedure has paid its way in business and can do the same in Government. Introduction of such methods should point the way to further economies in Government. To the extent that such economies are realized, tax-payers may expect some relief. The movement is distinctly in the public welfare.—A. B. GUNNARSON

## How did he leave his family?

Relatives and neighbors talk of such matters when an employee dies. Often you will hear this comment:

"What a blessing they had GROUP INSURANCE where he was employed".

DETAILS FREELY SUBMITTED TO ANY EMPLOYER



THE PRUDENTIAL  
INSURANCE COMPANY  
OF AMERICA

EDWARD D. DUFFIELD, President  
HOME OFFICE: Newark, N. J.

## SPARE TIME TRAINING that helps you SPEED UP PROSPERITY!

Do you want to speed up prosperity—insure your early and large participation in the new jobs, promotions and salary increases—get fullest benefits from business pick-up? You can do it. For months, individual competition will be tremendous. Employers—up against new problems, fighting for survival and profits—will be able to pick and choose. Naturally they will prefer trained men—men who have special ability to offer. If you wish this advantage, simply check the field of business in which you are interested. We will send full information about the opportunities in that field, tell how our complete success-building program helps you plan your future, trains you in your spare time, and works with you all through your career. Send the coupon NOW.

**LaSalle Extension University**  
Dept. 5374-R CHICAGO

Please tell me—without cost or obligation—about your plan to help me insure and speed up my prosperity, in the business field I have checked.

- |  |  |
|--|--|
| <input type="checkbox"/> Business Management   | <input type="checkbox"/> Modern Business     |
| <input type="checkbox"/> Higher Accountancy    | <input type="checkbox"/> Correspondence      |
| <input type="checkbox"/> Traffic Management    | <input type="checkbox"/> Expert Bookkeeping  |
| <input type="checkbox"/> Law: Degree of LL.B.  | <input type="checkbox"/> Modern Salesmanship |
| <input type="checkbox"/> Commercial Law        | <input type="checkbox"/> Business English    |
| <input type="checkbox"/> Industrial Management | <input type="checkbox"/> Effective Speaking  |
| <input type="checkbox"/> Modern Foremanship    | <input type="checkbox"/> C. P. A. Coaching   |
| <input type="checkbox"/> Personnel Management  |  |

Name .....

Address .....

Town..... State.....



# Do all Business Men realize this?

**Practically any type of income producing machinery and equipment is now purchasable on a sound instalment basis**

No need to deplete working capital... no need to tie up bank credit lines which should be kept free for short term uses. Today leading makers in all branches of the machinery and equipment industry willingly extend terms to responsible buyers.

By paying part cash and the balance in periodic instalments, firms which can profitably use new, improved equipment are enabled to have it pay for itself in part out of added income.

Manufacturers using C. I. T. Financing Service find credit sales as easy to handle as cash sales. Moreover, their own working capital is kept liquid, available for profitable opportunities.

C. I. T. Service provides a dependable supply of long term funds. It gives them access to our unmatched sources of credit information — trained credit men in a country-wide network of Local Offices. It enables them to turn over collecting to an organization experienced through the collection of vast sums in time payment accounts during the past twenty-five years.

May our representative discuss with you your current financing needs and C. I. T. Service?

---

*Affiliated Operating Companies with Head Offices in  
New York ~ Chicago ~ San Francisco ~ Toronto, Canada. Also  
Completely Functioning Local Finance Offices in the Principal Cities.*

---



**COMMERCIAL INVESTMENT TRUST  
INCORPORATED**

Executive Offices: One Park Ave., New York

BANKERS TO INDUSTRY EVERYWHERE

---

Unit of COMMERCIAL INVESTMENT TRUST CORPORATION  
CAPITAL AND SURPLUS OVER \$70,000,000

---



# What Bankers and Investors Discuss

★ THE banks which have large foreign connections were not gravely concerned with the Treasury ban on participation in the Dutch 100,000,000 guilder loan to France. In fact, at least one large bank had been offered participation and had refused. There is so much uncertainty about our home investment market that bankers are not concerned with foreign loans. The banks are, however, concerned with the future effects of the Johnson Bill which forbids American loans to countries in default to the United States.

Senator Johnson's bill had passed the Senate but not the House when the Treasury acted, but it was plain that the ruling was in anticipation of the probable passage of the bill.

What the bankers stress is the danger of political interference in international finance. They point out that it is equally bad whether the loan is made for cementing a political alliance or forbidden to pay off a political score. The flow of money should neither be encouraged nor opposed for reasons of international politics.

## Closing Russian credits

BANKERS were inclined to wonder how the Johnson Bill would affect the proposed credits to be extended to Russia through the Import-Export Bank. Can a corporation created and owned by the Government of the United States make a loan to a country which is in default to the United States when a private lender cannot?

Apparently William C. Bullitt, our Ambassador at Moscow, had some doubts about it since the Associated Press on March 29 reported that his opinion was "that the newly formed Import-Export Bank would not do business with Russia until some agreement was reached if the Johnson proposal was enacted into law."

As Moscow is inclined not to regard itself as in default to the United States, there are problems of Russian credits yet to be solved.

## A new gold clause

THE Dutch loan to France was interesting in itself. Since it was a transaction between two countries still on the gold standard, every effort was made to make certain repayment in gold.

If the French Government cannot deliver gold "in Amsterdam at the bankers'

counters" it engages "to deliver at the bankers' choice the gold at one or several other places either within or outside of Holland."

## Whiskey and gold

SAID a visiting banker:

"It's a changing world. Two years ago if I had \$100 in gold in my pocket and you had a bottle of whiskey, you could have been arrested. Now, I could be."

## The Bank of New York

THE idea that there are fine banks, fine bankers, and fine banking traditions is unfortunately something of a novelty in these distracting days of abuse and accusation. In March the Bank of New York and Trust Company observed its one hundred and fiftieth birthday. This institution was organized in 1784 by a group of New York's leading citizens at a meeting in the Merchants' Coffee House.

It opened its doors for business at 159 Queen Street in the heart of the city's business activities. It was a young man's bank. Alexander Hamilton, then only 27, was one of the founders and wrote its constitution. Of its 11 other directors, nine were in their thirties or forties. Isaac Roosevelt, great grandfather of the President, was among its earliest directors and presidents.

The new bank was a courageous commitment of private resources. Eight years of war had taken a heavy toll of New York, then a city of 23,000 people. An eighth of its area had been swept by fire.

The hazards of commerce checked the expansion of trade and industry. The Revolution left in its wake the perplexing problem of dealing with a flood of worthless paper money.

In September, 1791, the bank made its first loan to the Government of the United States. What it contributed to the restoration of order from financial chaos is suggestively defined in the fact that it was the city's first bank, and for 15 years its only bank.

Throughout its history it has never missed payment of a dividend except in 1837, when such action was forbidden by state law.

The explanation of this productive durability is easy, for a wholesome conservatism has ruled from the beginning. The solid edifice that stands today as the projection of the founders' purpose

is its own tribute to integrity and judgment.

Those qualities are so commonplace in the business community that no one rates them as news. It is the exception that makes the headlines. Fortunately, the sesquicentennial of the Bank of New York and Trust Company is occasion enough for reminding the public that there are thousands of banks whose affairs have been conducted honestly, wisely and well.

## Avoiding responsibility

A BANKER came to Washington the other day to transact some business with a Government official.

He dropped into the office just before taking his train home and sank into a chair apparently exhausted.

This is what he had to say:

"Government may change its personnel, it may change its policies, but its methods don't change. I know them because I was once in the government service myself.

"The first thought that comes into a government official's mind when you ask him to do something is, 'Now, how can I turn this fellow over to someone else and let him decide?'

"I began my day with the official who should have acted on the matter. I talked with him a few minutes and happened to mention a state department man who knew something of the matter under discussion.

"His face lighted up and he said: 'Now you see him. Get his opinion. I'll call him up.'

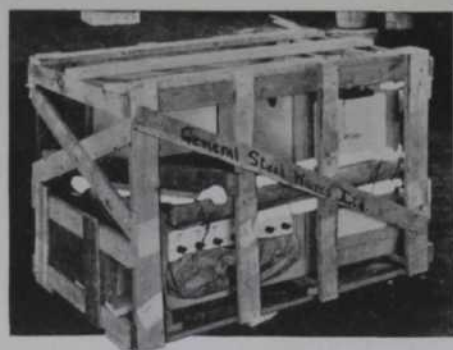
"So I trudged over to the State Department and talked with the man there until I saw his face light up. He, too, had thought of someone else and I was urged over to the Treasury Department. The Treasury man talked with me awhile and passed me on to a fourth official.

"When I saw the glitter in his eye that meant that he was thinking of a fifth visit for me, I began to laugh and when he asked what amused me I told him. He admitted that he was about to pass me on.

"It ended in my going back to the first man I'd come to see.

"There's something about government which makes men hesitate to make decisions, to become responsible. Perhaps it's because they can't profit and may get into trouble by making decisions."





Four years use proves  
safety and economy of

**Kimpak**

CREPE WADDING

A few months trial is all that is needed to convince manufacturers of the effectiveness of KIMPAK Crepe Wadding in protecting their products from damage in transit. Chipping and breaking of enamel finishes, marring and scratching of fine wood surfaces, are prevented through the use of this economical packing material. Because it is easily applied, KIMPAK saves time and labor in packing and in addition when products are unpacked the customer is more than pleased with their appearance.

Try KIMPAK and see for yourself the results it produces. You'll find it a safe, resilient crepe wadding—free from dirt, grit and foreign substances. It comes in rolls, sheets and pads to meet every need. Write for free samples and costs.



**Kimberly-Clark Corporation**

Chicago, 8 So. Michigan Ave.    Neenah, Wis., U. S. A.  
New York    Los Angeles  
122 E. 42nd Street    510 W. Sixth Street

**Editorial**  
vigor insures  
results for  
**NATION'S**  
**BUSINESS**  
advertisers  
No other  
publication  
is as widely  
read by  
business  
leaders!

## Our Itinerant Reporter Heard—

(Continued from page 42)

withdrawals of gold and investment in foreign securities caused by fears of unsound money."

"Tell me, should a fellow try to make, somehow, some money before it's entirely prohibited or should he head for cover right now?"

8 • Literally, I have talked with men from Maine to California and in every walk of life. When I put it all together I come to these conclusions:

a. That the country between Bangor and Hollywood represents too much geography—and psychology—ever to do away with all state capitals and be run entirely from Washington—even though it exhibits everywhere the same architecture of home, factory, skyscraper, ten-cent store, gas station, hot dog stand, locomotive, truck, bus, Pullman and auto; along with the same standardized movie, radio, newspaper, high-ball, cabaret, flapper and fan-dance; also along with, everywhere, the same combination of the "Last Round-Up's" despair and the "Big Bad Wolf's" courage.

Pennsylvania Avenue might serve in some way as a coordinating headquarters of district capitals reduced from 48 to the country's nine different commercial centers. But there will always be our two greatest natural divisions: (1) Our crowded, polyglot, industry-and-finance-conscious, capital-goods-minded, socialized and regimented East and (2) our uncrowded, American-born and American-speaking, farm-and-home-conscious, consumer-goods-minded, individualistic and outspoken West.

If you would realize how far apart they are and how little they know of each other, ask any Easterner if he realizes that the West had no winter and is threatened with drought or any Westerner if he knows that the East was blizzard-ridden with more snow than for years.

b. That the success of present Governmental policies requires extraordinary, deep-going cooperation between Capital and Labor, Seller and Buyer, Government, Business and People. Such cooperation is hardly possible without minimum name-calling and maximum faith in each other. This, in turn, is probably impossible until Government helps its business men to

respect themselves as useful operators of the indispensable pump of private industry—operators government-supervised, to be sure, but entitled to profit in the measure of their service rendered.

c. That, 60 or 90 days hence, we are likely to see either highly satisfactory, or else highly critical, developments:

(a) If the present upturn proves to represent not mere priming but genuine pump action, then long-unobeyed impulses will drive millions of us into Wall Street, auto sales-rooms, radio, electric, furniture, and other stores, to tailors, dressmakers, and where not.

(b) If, however, this does not eventuate, then we can expect:

(1) More outspoken demand by the business community for greater dollar stabilization and larger chance at reasonable profit, along with—and violently opposed by—

(2) More outspoken mass demand for further, more radical, extension of present collectivist, anti-profit, policies.

In this latter case, all of us will be pondering with vastly more seriousness than at present whether we should go European-extremist or American middle-redist—unless by that time we are too busy following the example of my Ruhr coal-miner friends of 1923, and running down town to turn our pay checks into something—any thing—likely to be of more value next morning than the money in our pockets!

## Monopoly of "Class"

SAID a visitor, Fix prices and the Tiffanys will get the business.

There are Tiffanys in every one of our five hundred industries. Call it reputation, character, prestige, vogue, advertising response, or what you will, it is there.

And whether it is coal or clothes' pins, the Tiffanys will get the bulk of the business, and there is no way to bring this intangible into any cost-accounting system.

This thought is respectfully submitted to the already burdened desks of those conscientious gentlemen who are worrying over the stabilization of prices.





# "If only we could collect what is *due* us!"

## OFFICES IN 97 CITIES

### Illinois

Alton  
Aurora  
Bloomington  
Champaign  
Chicago  
Cicero  
Decatur  
Freeport  
Galesburg  
Joliet  
Moline  
Oak Park  
Peoria  
Rockford  
Springfield  
Waukegan

### Indiana

East Chicago  
Evansville  
Gary  
Hammond  
Indianapolis  
Michigan City  
South Bend

### Iowa

Davenport  
Des Moines

### Maryland

Baltimore

### Massachusetts

Boston  
Springfield  
Worcester

### Michigan

Battle Creek  
Detroit  
Flint  
Grand Rapids  
Highland Park  
Jackson  
Kalamazoo  
Lansing  
Muskegon  
Port Huron  
Saginaw

### Missouri

Kansas City  
St. Joseph  
St. Louis

### New Jersey

Camden  
Jersey City

Newark  
Orange  
Paterson  
Trenton

### New York

Albany  
Binghamton  
Brooklyn  
Buffalo  
Flushing  
Fordham  
Hempstead  
Jamaica  
New York  
Niagara Falls  
Rochester  
Syracuse  
Utica

### Ohio

Canton  
Cincinnati  
Columbus

### Pennsylvania

Allentown  
Altoona  
Chester  
Easton  
Erie  
Johnstown  
Lancaster  
McKeesport  
New Castle  
Norristown  
Philadelphia  
Pittsburgh  
Reading  
Scranton  
Wilkes-Barre  
York

### Rhode Island

Pawtucket  
Providence

### Wisconsin

Appleton  
Beloit  
Eau Claire  
Fond du Lac  
Green Bay  
Kenosha  
La Crosse  
Madison  
Milwaukee  
Oshkosh  
Racine  
Sheboygan  
Superior  
Wausau

● Consider your own collection problem. When your unemployed debtor finally obtains a job and an income, you don't want to scramble for your share of his pay check against the competition of harsh inconsiderate creditors. There's too much risk of destroying the debtor's morale and future earning power. What can you do?

The great majority *want* to pay, but a single salary envelope or two or three will not go around, if living expenses are to be met meanwhile. Of course, some of them owe more than they can ever pay unless creditors scale down their bills.

But for the family that is not too deeply involved there is a way to pay all old debts. That way, as provided by the Household Loan Plan, supplies sums of \$300 or less to families without bankable

collateral. Past due bills may be paid at once and the borrower may budget his indebtedness over twenty monthly repayments.

More than 270,000 families took advantage of the Household Plan last year. A survey shows that more than 80% of these used the money to pay *existing indebtedness!*

The Household Loan Plan operates on a retail basis. Business men know a retail price must cover operating costs and a reasonable profit. Efficiencies never can reduce retail prices to the level of wholesale prices. However, when methods are devised which permit renting the use of money to families on the signatures of husband and wife alone at rates lower than the  $2\frac{1}{2}\%$  to  $3\frac{1}{2}\%$  a month now charged on unpaid balances, Household will be found using those methods.

# HOUSEHOLD

## FINANCE CORPORATION

### and subsidiaries

Headquarters: 919 North Michigan Avenue, Chicago



## MONEY MANAGEMENT FOR HOUSEHOLDS

a helpful booklet in budgeting the family income, leading to the happiness of financial security, is offered without charge to your employees and customers. Mail or telephone their names to our nearest office.



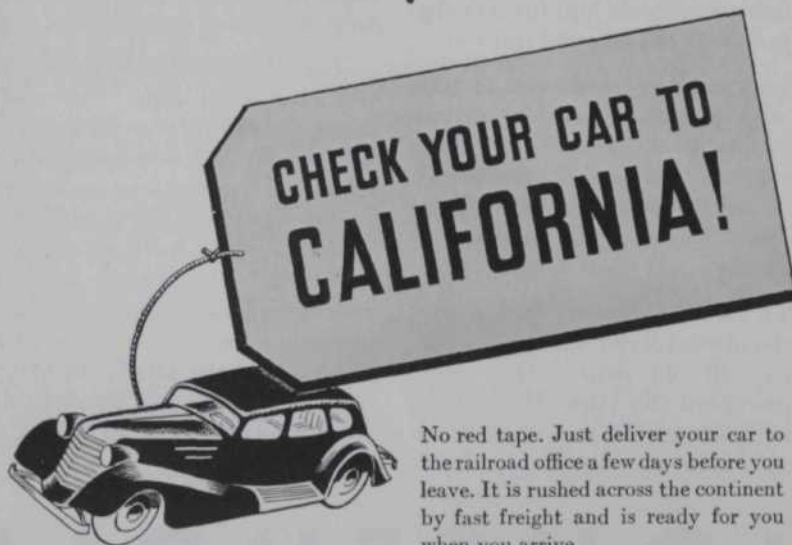
One of a series, "What is the Associated System?"

## Helping Customers Pay their Bills

**O**VERDUE amounts owed Associated operating companies by customers for electricity and gas total \$2,141,829. These arrears do not include amounts written off as bad debts. **I**nstead of cutting off the service of customers who could not pay promptly because of reduced incomes, Associated operating companies helped many customers to continue their service by making it easier for them to pay. One way was to allow customers to pay for service weekly, and at the same time pay a small amount toward their old bills. **S**lowness of collections is one of the several unfavorable conditions which induced the Associated Gas and Electric Company to propose its Plan of Rearrangement of Debt Capitalization. The Plan aims to keep the Associated System intact, and thus help to protect the investments of 350,000 Associated security holders.

### Associated Gas & Electric System

61 BROADWAY • NEW YORK



Two people can now ride fast Southern Pacific trains between the East and California and take a car along at very low fares. For example, suppose you and your wife are going to California this summer. You buy two summer tickets (which you would do anyway). This entitles you to ship your car for 3.6 cents a mile.

No red tape. Just deliver your car to the railroad office a few days before you leave. It is rushed across the continent by fast freight and is ready for you when you arrive.

This way you save wear and tear on yourself and your car. You ride such fast trains as the Overland Limited, Sunset Limited, Golden State Limited and Cascade, enjoying all the comforts of Pullman travel and delicious, inexpensive "Meals Select." Our agents (in all principal cities) will gladly handle all the details for you.

## Southern Pacific

O. P. BARTLETT, Passenger Traffic Manager, 310 So. Michigan Boulevard, Chicago

## Flashes...

from the recent meeting of the Academy of Political Science

**Ogden L. Mills:** "We shall never solve the paradox of want in the midst of plenty simply by doing away with the plenty. Rather, should we devote all of our energies to the removal of those obstacles and maladjustments which present serious obstacles to the exchange of raw materials and of finished products, both at home and abroad, and thus inhibit increased production, increased employment and a rising standard of living."

**Owen D. Young:** "In our present reaction, and I think it is not unfair to call it such, there is some demand that the government, which makes the rules and acts as referee, shall take hold of the rope permanently itself. If that step be taken and the government becomes a permanent and effective actor on the rope, then we shall have a new situation in this country. New rules, yes, we should loyally accept them and abide by them; the government as referee, yes, with extended powers, more than we have dreamed of before, but the government as actor, as contestant with its own people, well, Americans will hesitate long, I think, before they permanently cross that great divide."

**Russell C. Leffingwell:** "It is becoming generally recognized that those phases of the recovery program, which increase costs in advance of profits, really retard recovery and reemployment and thus indeed obstruct the beneficent social purposes which inspired them. In consequence of restrictions upon the capital market and upon the profits of business, there is a growing demand that the Government itself provide intermediate credit and capital for business. The Government cannot foot everybody's bills forever, and yet preserve its own credit and the stability of the currency."

**Eugene R. Black:** "The capital market must be opened up. We cannot have real prosperity in America until private capital goes to work. The heavy industries must not remain partly idle while 6,000,000 men employed in these industries are unemployed. An opening up of the heavy industries must not be delayed because of too rigid law or timidity on the part of the investors. Both must be molded to the necessity of action."



## A Farmer Pleads for Freedom

(Continued from page 18)

reversed. Hopeful new dealers to the contrary notwithstanding, ours is not a new world, nor has human behavior undergone any fundamental change.

Is it too late, I wonder, to beg that mid-western farmers will withhold their sanction from an agreement to permit weeds to grow on a fifth of all the fertile acres of the Corn Belt next summer? They must know that the agreements now presented for their signatures aim at the impossible. They should recognize that their acceptance of the plan has deeper implication than the dollars they would receive in compensation. Will they willingly become parties to the waste of public funds, a brief continuance of which at the present rate must impair the stability of government?

### Attack the debt problem

I AM told that criticism of the present program cannot be tolerated unless an alternative is offered. I would propose that, in revising its agricultural policy, the Administration consult the real farmers. I would suggest that a farmer, unless his land is mortgaged, is in far better case than the unemployed urban dweller. I would have the Administration bear in mind that more than half of our farms are unencumbered and that those farmers overburdened with debt should be dealt with directly and individually, not under an inclusive program applied to the entire industry.

It would be helpful frankly to recognize that no quick, easy, magic solution of our difficulties exists; that in individual initiative, industry, thrift, patience, the slow passing of time and the sure operation of fundamental laws lies the rational cure for our ills.

Government may properly concern itself with the restoration of foreign markets, the reduction of our tax burden, the safeguarding of its own solvency, the protection of our human and property rights. Self-reliant and patriotic farmers, along with all other good citizens, ask of government only that it be just, strong, righteous and deserving of their loyalty and respect.

To assert that the only alternative to the New Deal is chaos is a reflection on our Government and arraigns its very purpose. Will my fellow farmers believe me that it is the threat of catastrophe to government—a threat which most of them are thoughtlessly furthering by their disregard of reality—which oppresses me far more than I am depressed by the perplexity which the balancing of my farm budget presents?

## Guaranty Trust Company of New York

MAIN OFFICE  
140 Broadway

FIFTH AVE. OFFICE  
Fifth Ave. at 44th St.

MADISON AVE. OFFICE  
Madison Ave. at 60th St.

LONDON

PARIS

BRUSSELS

LIVERPOOL

HAVRE

ANTWERP

### Condensed Statement, March 31, 1934

#### RESOURCES

Cash on Hand, in Federal Reserve Bank, and due from Banks and Bankers . . .	\$ 214,384,972.47
Bullion in Foreign Branches . . . . .	2,003,821.00
U. S. Government Securities . . . . .	484,829,280.56
Notes of Reconstruction Finance Corporation . . . . .	20,000,000.00
Public Securities . . . . .	62,174,083.76
Stock of the Federal Reserve Bank . . . .	8,400,000.00
Other Securities . . . . .	21,740,674.22
Loans and Bills Purchased . . . . .	628,491,774.86
Real Estate Bonds and Mortgages . . . .	2,382,413.09
Items in Transit with Foreign Branches .	536.80
Credits Granted on Acceptances . . . . .	53,008,743.26
Bank Buildings . . . . .	14,008,778.92
Other Real Estate . . . . .	115,198.42
Accrued Interest and Accounts Receivable	17,434,826.10
	<u>\$1,528,975,103.46</u>

#### LIABILITIES

Capital . . . . .	\$ 90,000,000.00
Surplus Fund . . . . .	170,000,000.00
Undivided Profits . . . . .	7,660,072.81
	<u>\$ 267,660,072.81</u>
Capital Note (Payable on or before July 31, 1934)	20,000,000.00
Accrued Interest, Miscellaneous Accounts Payable, Reserve for Taxes, etc. . . . .	8,423,632.99
Acceptances . . . . .	\$116,065,467.30
Less: Own Acceptances	
Held for Investment . . . . .	63,056,724.04
	<u>53,008,743.26</u>
Liability as Endorser on Acceptances and Foreign Bills . . . . .	874,064.00
Agreements to Repurchase Securities Sold	263,600.00
Deposits . . . . .	\$1,157,667,279.18
Outstanding Checks . . . . .	21,077,711.22
	<u>1,178,744,990.40</u>
	<u>\$1,528,975,103.46</u>

WILLIAM C. POTTER, Chairman  
EUGENE W. STETSON, Vice-President

W. PALEN CONWAY, President

#### DIRECTORS

GEORGE G. ALLEN . . . . . Vice-Chairman, British-American Tobacco Company, Limited, and President, Duke Power Company	EUGENE G. GRACE . . . . . President, Bethlehem Steel Corporation
W. W. ATTERBURY . . . . . President, Pennsylvania Railroad Company	W. A. HARRIMAN . . . . . of Brown Brothers Harriman & Co.
W. PALEN CONWAY . . . . . President	JOHN A. HARTFORD . . . . . President, The Great Atlantic & Pacific Tea Company
CHARLES P. COOPER . . . . . Vice-President, American Telephone & Telegraph Company	DAVID F. HOUSTON . . . . . President, The Mutual Life Insurance Company of New York
JOHN W. DAVIS . . . . . of Davis Polk Wardwell Gardiner & Reed	CORNELIUS F. KELLEY . . . . . President, Anaconda Copper Mining Co.
HENRY W. de FOREST . . . . . President, Campbell Soup Company	THOMAS W. LAMONT . . . . . of J. P. Morgan & Co.
ARTHUR C. DORRANCE . . . . . President, Edward D. Duffield . . . . . President, The Prudential Insurance Company of America	GRAYSON M.-P. MURPHY . . . . . of G. M.-P. Murphy & Co.
CHARLES E. DUNLAP . . . . . President, Berwind White Coal Mining Company	WILLIAM C. POTTER . . . . . Chairman of the Board
LEWIS GAWTRY . . . . . President, The Bank for Savings in the City of New York	GEORGE E. ROOSEVELT . . . . . of Roosevelt & Son
ROBERT W. GOELET . . . . . Real Estate	EUGENE W. STETSON . . . . . Vice-President
PHILIP G. GOSSLER . . . . . President, Columbia Gas & Electric Corporation	CORNELIUS VANDERBILT WHITNEY . . . . . Banker
	GEORGE WHITNEY . . . . . of J. P. Morgan & Co.
	THOMAS WILLIAMS . . . . . of I. T. Williams & Sons



# REPUBLIC



## MECHANICAL RUBBER PRODUCTS *of Every Description*

REPUBLIC PRODUCTS cover practically the whole field of industrial rubber uses. Regardless of your needs in belting, hose, packing, molded goods and specialties you can depend upon Republic Quality for complete satisfaction.

Republic's higher standards are the results of long experience and exhaustive research involving all types of applications. With modern facilities, scientific control of processes and thorough laboratory tests, each product is developed to meet the most exacting requirements.

Throughout the country well known distributors carry ample stocks of standard items to assure you of prompt delivery. For any new or special mechanical rubber applications, let our engineers advise you on all details without obligation.

## THE REPUBLIC RUBBER COMPANY YOUNGSTOWN, OHIO

*Leadership in Policy, Product  
and Performance.*

**ORDER  
REPUBLIC RUBBER PRODUCTS  
FROM YOUR DISTRIBUTOR**

*When writing please mention Nation's Business*

**C** This is one of a series of editorials written by leading advertising men on the general subject of advertising

## Advertising Comes Third— not First

★ ADVERTISING does not assume to be a cure-all for business ills, nor is it entitled to such a name. It does not presume to outweigh the advantages of sound product and sound merchandising. But when it is put on the same side of the scales with them, it moves the indicator the right way.

No complete business success was ever created by advertising alone. Advertising is an effective tool—that is constantly being demonstrated, in the widening markets it helps to establish and hold. But it is only a tool. Unless there is a product of merit, marketed by proven methods, it is a tool that might as well never be taken from the tool-kit. Or, it is a tool that fails to do the job properly.

It is impossible to advertise successfully a poorly made piece of merchandise. To succeed, even with the best advertising, the goods must measure up to what the buyer has the right to expect. Next to good product comes proper sales management, with adequate and economical distribution. Good product or good service is fit material for the good tool of advertising. The right type of sales manager is the master craftsman who knows how to use it to the best advantage.

Advertising comes third, not first, in any well rounded undertaking for business success.

Some business men believe, or pretend to believe, that advertising is a magic key that will open the door to business success. So do some advertising men, who must know better. There is nothing magical about advertising. It is just an important aid in producing profitable business, if the product and the sales plans behind it are right.

H. T. EWALD  
President  
Campbell-Ewald Company

★ ★ ★ ★ ★ ★ ★ ★ ★ ★

## Index of ADVERTISERS May • 1934

	PAGE
A. P. W. Paper Company	9
Alexander Hamilton Institute	88
Aluminum Company of America	54-55
American Brass Company	67
American Can Company	77
American District Telegraph Co.	75
American Express Co.	82
American Telephone & Telegraph Company	2nd Cover
Anheuser-Busch, Inc.	91
Associated Gas & Electric System	100
Babson's Reports, Inc.	82
Boston Wharf Co.	73
Burroughs Adding Machine Company	4th Cover
Canada Dry Ginger Ale, Inc.	103
Celotex Company	68
Chesapeake & Ohio	91
Chevrolet Motor Co.	37
Chicago Tribune	104
Chicago Watchman's Clock Co.	92
Commercial Credit Company	74
Commercial Investment Trust Corp.	96
Continental Can Company, Inc.	87
Cyclone Fence Company	76
Detex Watchclock Corporation	50
Dick, A. B., Company	12
Dollar Steamship Lines	64
Ediphone, Thos. A. Edison, Inc.	60
Egry Register Company	85
Equitable Life Assurance Society	79
Felt & Tarrant Manufacturing Co.	8
French Line	83
General Electric Company	63
Gouder, Paeschke & Frey Co.	82
Goodrich, B. F., Rubber Company	43
Goodyear Tire and Rubber Co.	7
Greenbrier, The	88
Guaranty Trust Co.	101
Hammermill Paper Company	89
Hartford Fire Insurance Company	84
Household Finance Corporation	99
Illinois Steel Company	41
International Harvester Co. of America	49
International Nickel Company	47
Iron Fireman Mfg. Company	66
John Hancock Mutual Life Ins. Co.	72
Kimberly-Clark Corporation	53-98
La Salle Extension University	95
Layne & Bowler, Inc.	59
Metropolitan Life Insurance Co.	39
Mutual Casualty Insurance	62
National Board of Fire Underwriters	65
New York Trust Co.	10
Northwestern Mutual Life Ins. Co.	4
Parker Machine Works	92
Phoenix Mutual Life Ins. Co.	3
Plymouth Motor Corporation	1
Pneumatic Scale Corporation	51
Pontiac Motor Car Company	45
Prudential Insurance Co. of America	95
Reading Iron Company	3rd Cover
Remington Rand, Inc.	6
Reo Motor Car Co.	81
Republic Rubber Company	102
Reynolds, R. J., Tobacco Co.	76
Ronald Press Company, The	88
Schick Dry Shaver, Inc.	58
Southern Pacific Company	100
Standard Register Company, The	93
Underwood Elliott Fisher Company	61
Willard Hotel	82
World Peaceways	72

★ ★ ★ ★ ★ ★ ★ ★ ★ ★



*Many famous travellers have passed along the road to Edinburgh, but none more notable than* JOHNNIE WALKER



*You'll know, when you taste* JOHNNIE WALKER,  
*that there's no substitute for time*

SOONER OR LATER, you'll try Johnnie Walker and it may possibly be your first acquaintance with this famous old Scotch. But you'll agree the minute you taste it that there's no substitute for the mellow hand of time. You'll taste a Scotch so smooth and mellow that it is praised all over the civilized world... a Scotch worthy in every respect of the fine hospitality and hearty good cheer of the Highlands.

Johnnie Walker, of course, is distilled and bottled in Scotland. The barley used is rich and ripe. Mountain soil and water, and curing with fragrant Scottish peat are responsible for the delightful, tangy

flavour. And every drop of Johnnie Walker is laid down in wood years ahead of the time that you will enjoy it.

Red Label or Black Label. Choose the one you like and the price you prefer to invest. Both are Johnnie Walker. Both are pure and soundly aged. You may want to reserve Black Label for special occasions. It is higher in price and *more* than twelve years old... John Walker & Sons, Ltd., Distillers, Kilmarnock, Ayrshire, Scotland.

**CANADA DRY GINGER ALE**  
INCORPORATED  
SOLE DISTRIBUTOR



*By Appointment to H. M. The King*

**JOHNNIE WALKER**

B O R N 1 8 2 0 . . . S T I L L G O I N G S T R O N G



# First

## AMONG WOMEN



● **WOMEN'S TRADE.** Chicago department stores in 1933 placed more advertising linage in the Tribune than in any other newspaper.



● **BETTER RESULTS** are the reason Loop (downtown) department stores placed 864,596 more lines of women's appeal advertising in the Tribune than in any other Chicago newspaper in 1933.



● **UPSTAIRS DEPARTMENTS** of Loop (downtown) department stores in 1933 placed 1,182,226 more lines of women's appeal advertising in the Tribune than in any other Chicago newspaper.

**C**HICAGO retailers who address their advertising to women place more linage in the Chicago Tribune than in any other newspaper. Loop (downtown) department stores, for instance, in 1933 spent \$1,827,207 for women appeal advertising in the Tribune—51% of their expenditures in all Chicago newspapers. The reason the Chicago Tribune enjoys this impressive leadership is because it is read by more women and has more influence with women than any other Chicago newspaper has. A representative will be glad to call and give you the complete facts.

**Chicago Tribune**  
THE WORLD'S GREATEST NEWSPAPER



"COMING EVENTS  
*cast their  
shadows before*" —



*TIME — that Tough  
Old Tester*

● With baleful certainty, the shadow of Time, That Tough Old Tester, falls upon pipe that cannot meet his stern demands.

And as that shadow falls, pipe repairs increase in frequency . . . bills mount up . . . trouble follows trouble in swift succession to the final event when the pipe is ripped out in disgust and there is a new installation to pay for.

For Time, That Tough Old Tester, searches out the hidden weaknesses of metals, proving them as he proves every work of man. A few short years of life is all he grants those which are found unworthy.

There is one kind of pipe which, since 1848, has fully demonstrated its ability to stand the tests of Time, not for years, but for *generations*.

Against destructive rust and corrosion, this pipe is doubly armored—first, by the hard, impervious coating it forms upon exposure to the elements, and second, by millions of rust-proof siliceous filaments uniformly distributed throughout its structure.

To endure continued vibration and strain, it has a unique fibrous structure which “gives” but does not snap.

This pipe is **READING GENUINE PUDDLED WROUGHT IRON PIPE**, produced by the methods which Reading has been using for more than eighty years. For your protection, every length of Reading Pipe bears an indented spiral. Look for this spiral—it is the mark of true pipe economy.

**READING IRON COMPANY • PHILADELPHIA, PA.**

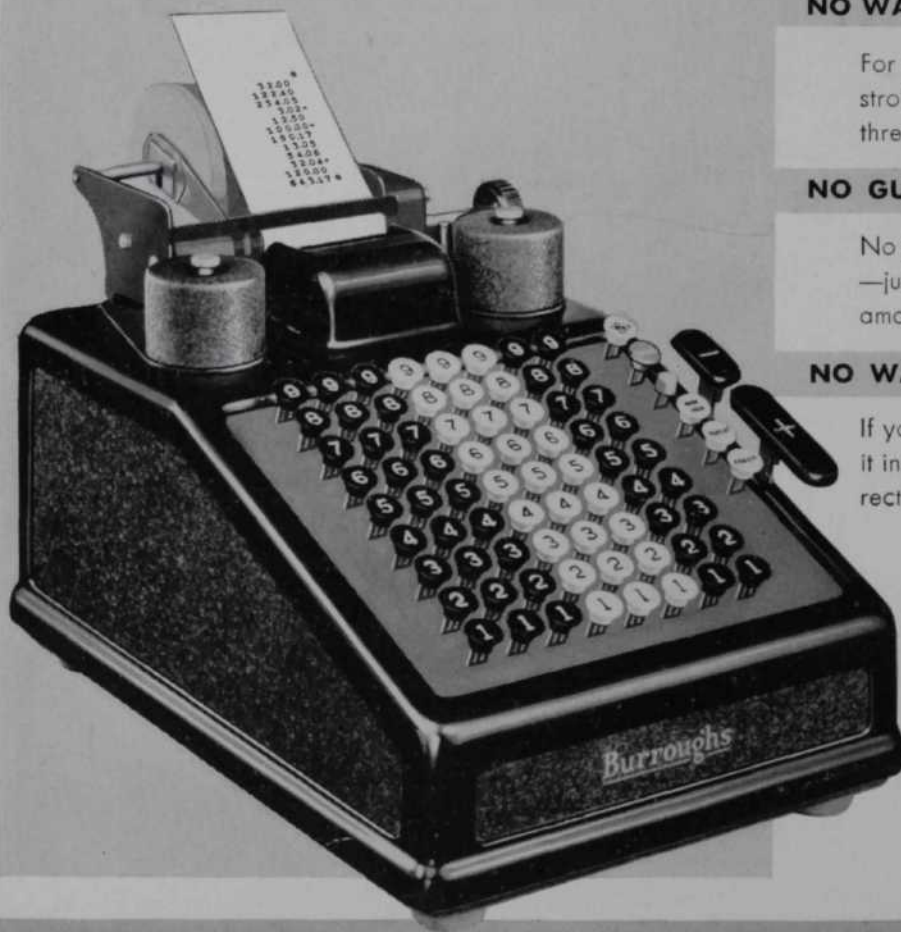
**READING GENUINE PUDDLED WROUGHT IRON**

SCIENCE & INVENTION HAVE NEVER FOUND A SATISFACTORY SUBSTITUTE FOR GENUINE PUDDLED WROUGHT IRON



# Burroughs

## *Eliminates* THE NEEDLESS MOTIONS IN FIGURING



### NO CIPHERS TO WRITE . . . . .

All ciphers print automatically. Since figure work averages 30% ciphers, almost one-third of the work is done on a Burroughs without touching a key.

### NO EXTRA MOTIONS FOR SUBTRACTION . .

To subtract, merely touch the subtract bar. It's just as simple and fast as touching the adding bar.

### NO EXTRA STROKES FOR TOTALS . . . . .

To take a total, merely touch the total key. This one motion—not two or three—operates the machine and prints the total.

### NO WASTE STROKES IN WRITING AMOUNTS

For example, you touch 77 on a Burroughs with one stroke—not two. You touch 3.65 with one stroke—not three. You touch 5,870.00 with one stroke—not six.

### NO GUESSING AT AMOUNTS WRITTEN . .

No guessing whether you have touched the right keys—just look at the keyboard. Keys stay depressed, so amount can be checked before it is printed or added.

### NO WASTE MOTIONS IN CORRECTIONS . .

If you depress a wrong key in any column, you see it instantly on the Burroughs full keyboard. To correct it, merely touch the right key in that column.

. . . . .

A Burroughs does so much of the work for you—saves you so much time—so much effort. Careful buyers select Burroughs for speed, simplicity and ease of operation as well as for quality and long life. Call the local office for a demonstration of the size and style best suited to your particular needs.  
BURROUGHS ADDING MACHINE COMPANY  
DETROIT, MICHIGAN

## BURROUGHS ADDING MACHINES

ADD • SUBTRACT • MULTIPLY